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Alia Holds Discussion With Tirana Economists

AU1308191090 Tirana Domestic Service in Albanian 1800 GMT 13 Aug 90

[Text] Comrade Ramiz Alia, first secretary of the Albanian Workers Party Central Committee and president of the Presidium of the People's Assembly of the People's Socialist Republic of Albania, met economists from enterprises and the capital's central institutions at the Palace of Congresses this afternoon. Planning and financial officials and managing cadres of economic enterprises, specialists from central economic institutions, teachers from the Economic Faculty of Tirana University, cadres from ministries, and others took part in the meeting. Comrades Xhelil Gjoni and Abdyl Backa, secretaries of the party Central Committee; Comrade Niko Gjyzari, general secretary of the Council of Ministers, and others were also present.

Encouraging discussion at the meeting, Comrade Ramiz began by saying that he wished to talk with them and hear about problems connected with current economic issues, and in particular to listen to views and comments about the new economic mechanism, which has now been partially introduced. What does experience tell us? What contradictions exist between organs at the base and ministries and executive committees? What about the labor force, planning, problems of services, handicrafts, retail trade, and so forth?

At the meeting, concrete opinions were exchanged in a series of lively and warm conversations about the conception and application of the new economic mechanism, and especially about problems which have emerged from the experience so far of those enterprises and sectors already introduced into the mechanism, or will shortly do so. Aspects such as new relations between enterprises and ministries, within enterprises themselves, within the administration, among workers, and so forth took a special place in the discussion, as did problems about planning, securing the material base, renewing technology and the work force, and so forth.

The new economic mechanism, it was stressed at the meeting, will forge ahead when everything in the enterprise is put on the basis on economic laws and rules. It was also said during the discussion that the new economic mechanism is not fully yet conceived, because an enterprise cannot introduce it without also introducing it into its individual departments and sectors as well. An enterprise cannot function normally in this process taking careful stock of its profits, and other factors.

Views were also expressed on employing the work force and especially extending the economic independence of enterprises, so that they are able to secure their own raw materials within the country and abroad. It was said that enterprises should be responsible for not only the state plan, but also distribution and supplies of raw materials.

Economists and enterprise managers asked to be given more responsibility by the state authorities at the center and the base. Comrade Ramiz Alia also spoke at the meeting on these and other problems of the new economic mechanism.

Ministry 'Concerned' for Nationals Still in Gulf

AU1308144490 Sofia Domestic Service in Bulgarian 0900 GMT 13 Aug 90

[Text] We are concerned about the fate of our compatriots in Kuwait, despite the optimistic report we heard last night, namely that the Iraqi Embassy in Sofia has received official confirmation from Baghdad authorizing the evacuation of Bulgarian citizens from Kuwait.

Nevertheless, we would like to hear more about these proceedings, therefore we contacted Mr. Zdravko Velev, from the Arab Countries Department at the Ministry of Foreign Affairs, who said:

[Begin Velev recording] For the time being, we are trying to establish contact with our embassy in Baghdad, but it is very difficult to get through, therefore we are trying to start with the evacuation of Bulgarian citizens from Kuwait with the assistance of the USSR Ministry of Foreign Affairs. The evacuation is planned to begin in Kuwait and the Bulgarian citizens are expected to proceed to Baghdad, and from Bagdhad to Jordan. A distance of approximately 130 kilometers has to be covered to the Iraqi border and although the road passes along the border, progress is expected to be slow because it is the only highway on which all vehicles, tanks and troops included, are travelling, and therefore the passage might take a long time. The distance from the border to Baghdad is approximately 700 kilometers. Bulgarian citizens will be taken care of and temporarily installed in Baghdad where they can rest, after which they will travel to Jordan, from where they could be picked up by civilian aircraft of Bulgarian Balkan Airlines.

We are awaiting the establishment of contact and the start of the evacuation, after which we will perhaps be able to establish an approximate time for the Bulgarian citizens' repatriation. [end recording].

Ministers' Decree on Sanctions

AU1308153590 Sofia Domestic Service in Bulgarian 1500 GMT 13 Aug 90

[Announcement from Council of Ministers received by Sofia Radio; read by unidentified announcer—live]

[Text] The Council of Ministers has adopted a decree on the implementation of the UN Security Council Resolution of 7 August 1990 concerning sanctions against Iraq in connection with its invasion and occupation of Kuwait.

The decree, in accordance with the aforementioned resolution, bans the export, import, and reexport of all goods to and from Iraq and Kuwait. Exceptions are permitted only for medicines and foodstuffs serving humanitarian purposes. Transportation services and financial transactions with the two aforementioned countries are also banned.

The Ministry of Foreign Affairs is in charge of ensuring the evacuation of Bulgarian citizens from Kuwait, and if necessary, also from Iraq.

The decree obliges the competent organs to submit proposals to the government in connection with restricting the unfavorable consequences of implementing the resolution of the UN Security Council upon the Bulgarian economy.

Militiamen Want New Legislation Governing Duties

Stage 'Token Strike' 13 Aug

AU1308190590 Sofia BTA in English 1757 GMT 13 Aug 90

[Text] Sofia, 13 Aug (BTA)—The employees of the Ministry of the Interior in the country have gone on a token strike.

By decision of the Federation of Independent Trade Union organizations of the employees of the ministry, many of them are wearing ribbons with the colors of the country's National Flag on their uniforms.

In this way the police are protesting against the lack of legislative decisions to regulate their activity.

They consider the 1976 people's militia act to be inefficient and outdated and insist that the Grand National Assembly should adopt a new law of the police units the soonest possible.

Among other things, the draft law of the militia published at the beginning of this month contains a formulation according to which the employees of the Ministry of the Interior are banned from joining any political party and from carrying out political activity.

With their token strike the police are protesting against being deprived of their specialized recreation and medical treatment establishments by a decision adopted by the Council of Ministers.

They call for taking legislative measures for the settlement of their serious social and professional problems.

The Green Party and the In The Name of Truth Movement backed up the demands of the police for the complete depolitization of the Ministry of the Interior, for the immediate amendment of the normative acts regulating their activity and for the continuation of the radical changes at the ministry.

Dissatisifed With Working Conditions

AU1308091390 Sofia OTECHESTVEN VESTNIK in Bulgarian 9 Aug 90 p 1

[Maya Lyubomirska report: "Militiamen Ask for Changes"]

[Text] The need for reform within the Ministry of Internal Affairs is urgent. Hence, the prompt reaction

from the Ministry's personnel on the draft law concerning the militia which has been submitted to a parliamentary commission of the Grand National Assembly for examination. How do things look from the inside? It is evident that a new legislative settlement is called for and is likely to guarantee that the militia remains an organ of the state administration, and the militiaman as an official representative of this organ.

Structural changes are proposed as alternatives to the present situation of the Ministry's personnel. The changes should begin by facilitating the work of the Ministry's administrative organs. An internal statute is also expected to be introduced and legal protection for the purpose of improving the personnel's working conditions should be guaranteed. For the time being, the gasoline crisis also affects the Ministry's operational workers, while typewriters are the only technical equipment available to militia organs in some places. The militia's national security department is also expected to be discussed on a priority basis.

The urgent call for the changes is expressed in an appeal of the employees from the Fifth Municipal Adminsitration of the Ministry of Internal Affairs in Sofia who have announced that 13 August 1990 will be declared their day of symbolic protest. The militiamen will continue to fulfill their duties in protecting the people's peaceful life and security on that day, their only sign of protest being a tricolored badge which they are planning to wear on their lapels.

'City of Truth' Supports Demands

AU1008210690 Sofia Domestic Service in Bulgarian 1930 GMT 10 Aug 90

[Text] The legislative acts regulating the activity of the Interior Ministry organs have still not been applied, such as the requirement for the militia to only defend the legal and public order, and not the interests of any political party, public organization, or private person, states a declaration issued by the City of Truth in Sofia which has been received by the Bulgarian Telegraph Agency.

It cannot be permitted that the protectors of law and public order, as we expect them to be, should in practice not be legally and socially protected themselves. The declaration calls upon the Grand National Assembly to speed up the adoption of a law on the militia, which will help to bring down the crime rate in the country.

The inhabitants of the City of Truth in Sofia declare their solidarity and total support for the just claims of the Federation of Independent Professional Organizations of Employees of the Ministry of Internal Affairs, expressed in the declaration of 24 July 1990, as well as the token protest announced by the federation for 13 August.

The Executive Committee of the Federation of Independent Professional Organizations of Employees of the Ministry of Internal Affairs makes it clear once again that it is not holding any protest actions on 13 August, and that the militiamen, firemen, and officers of the National Service for Defense of the Constitution will responsibly and conscientiously fulfill the duties alloted them under the law, and those arising from their official obligations.

Assembly Chairman Todorov on Zhivkov Hearing

AU1308190790 Sofia BTA in English 1651 GMT 13 Aug 90

[Text] Sofia, 13 Aug (BTA)—The supposition that Todor Zhivkov will appear in the Bulgarian parliament tomorrow were disproved by Academician Nikolay Todorov, chairman of the Grand National Assembly.

He told a BTA reporter that Zhivkov had sent a second letter to the Grand National Assembly confirming his position stated in the letter of July 30. (According to the agenda approved by the national representatives and the wish expressed by Zhivkov himself, he was to appear in the Bulgarian parliament immediately after the election of the the country's president. In his previous letter he postponed his appearance, motivating it by the inexpedience of the moment.)

The stand taken by the Grand National Assembly on this matter is clear: Todor Zhivkov should be given a hearing, Acad. Todorov underlined. He explained that today he had a meeting with the leaders of the parliamentary groups. It was decided that they would familiarize the members of the groups with Todor Zhivkov's letter and would come out with a common stand which would be advised at a plenary session.

In compliance with the decision made by the Grand National Assembly, a commission made up of representatives of the parliamentary groups formulated the questions to be posed to Todor Zhivkov and the questionnaire was presented to him at the end of last week.

The questions of the parliamentarians representing the different political forces addressed to Zhivkov turned out to be the same, the representatives of the Union of Democratic Forces (SDS) said at a news conference today. According to them they were not surprised by this fact; the SDS withdrew its questions. There were questions related to the sending of Bulgarian troops to Czechoslovakia in 1968, the forcible change of the Bulgarian Turks' names and questions touching upon "personal problems". The Socialists were interested in the causes for the present situation in the country. They wanted to know the opinion of the former leader as to the way out of the crisis, but the opposition raised objections against this part of the question. The opposition representatives intend to pose their questions to Zhivkov after he has made his statement.

SDS News Conference Discusses Local Elections

AU1308201090 Sofia Domestic Service in Bulgarian 1730 GMT 13 Aug 90

[Text] A news conference was held at the Sofia Press Club tonight, at which the representatives of the Union of Democratic Forces [SDS] launched the idea of establishing a political institute of the union which should be organized as a foundation serving all SDS member parties and organizations in accordance with their interests. All members of the future political institute should contribute equal amounts of capital investment.

One of the major questions asked at the news conference referred to the future of local government organs whose terms of office are expiring in August 1990.

The following stand was expressed by the SDS Coordinating Council on this issue: According to the SDS, transitional leaderships would be a more realistic form of administration in the municipalities during the period preceding the local elections, but this is a question on which the Grand National Assembly should express its view as soon as possible, and adopt a Constitutional Law as an addendum to the Constitution, guaranteeing the consensus of all political forces on the issue.

On behalf of the SDS, Dr. Petur Dertliev said that the municipal election should be held in November or December 1990, and that the SDS will participate in them as a coalition.

Zveno Union Proposes 'National Unity' Government

AU1308190190 Sofia BTA in English 1739 GMT 13 Aug 90

[Text] Sofia, 13 Aug (BTA)—The Zveno People's Union a political organization which did not take part in the elections and is not represented in the Bulgarian parliament, believes that it should be given the possibility to form "a government of national unity" and to head it.

Zveno suggests that the the post of prime minister should be taken by a representative of its own circles and that the first deputy prime minister should be a member of the Bulgarian Socialist Party. Besides it is envisaged that there will be yet another three deputy prime ministers: One of the Nikola Petkov Bulgarian Agrarian Party, the other one of the Bulgarian Social Democratic Party and the third one—of the Christian Republican Party. According to Zveno in all ministries there should be committees and bodies with ministerial rank representing the Zveno People's Union, the Bulgarian Socialist Party, the Bulgarian Social Democratic Party, the Bulgarian Agrarian Party, the Nikola Petkov Bulgarian Agrarian Party, the Vrabcha-1 Bulgarian Agrarian Party, the Christian Republican Party, the Bulgarian People's Party, the Fatherland Party of Labor, the Bulgarian National Radical Party and other political forces, no matter whether they have seats in the Grand National Assembly or not.

Zveno considers that only a government formed on a "broad coalition national basis" made up with the mass participation of all political forces both those which are in the parliament and which are outside it, could be "approved by the broad international public and to take Bulgaria out of the economic chaos".

Podkrepa Protests 'Illegal' Land Distribution

AU1008205590 Sofia Domestic Service in Bulgarian 2000 GMT 10 Aug 90

[Text] In a declaration, the Podkrepa Independent Labor Federation expresses concern over the escalation in the illegal distribution of land and illegal building on such land. This phenomenon has especially increased during the period before the end of the terms of office of the municipal People's Councils, on the eve of the local authority elections.

Considering that the situation created is inadmissible and intolerable, especially at the start of the new agricultural season, the Podkrepa Independent Labor Federation declares its solidarity with the demands of the inhabitants of the village of Dragichevo in Pernik district, who have declared a road-blocking strike beginning today because today, unscrupulously, without any notion of glasnost, and without general consent, the local authority zoned fertile land for housing development and allocated this land to its followers, the declaration states.

The Podkrepa Independent Labor Federation calls upon the landowners, in their own interests, to voice their willingness to join the Rural Podkrepa Landowners and Artisans Union which is being established.

Burgas Sit-in Strike Held; Housing Problem Cited

AU1308145290 Sofia Domestic Service in Bulgarian 0900 GMT 13 Aug 90

[Text] The members of the "170-Committee" in Burgas who, despite Decree No. 70 of the Council of Ministers, did not obtain the housing units they demanded, announced a sit-in in front of the Municipal People's Council Building. After the three-day strike did not produce any results, the strikers blocked the entrance of the building and prevented the employees from going to work.

Several citizens gathered around the tents of the strikers, and National Assembly deputies, Georgi Baev and Pavel [name indistinct], also arrived.

Members of the People's Council began negotiations for a meeting with the major political forces scheduled for today and aimed at finally settling the housing problems of 170 young families in a satisfactory manner.

Energy Output at Kozloduy Nuclear Plant Reduced

AU1308171890 Sofia Domestic Service in Bulgarian 1500 GMT 13 Aug 90

[Text] The suspended operation of certain power units at the Kozloduy Nuclear Power Plant has forced the Maritsa East Economic Association to look for alternative power resources. The technological regime [tekhnologicheski rezhim] is maintained within the optimal limits possible and the necessary amounts of electric power based on the instructions of the central control department are produced.

The regular power supply in the country, however, will not only depend on the satisfactory work of the collectives at the three thermoelectrical power plants belonging to the Maritsa East Association, but also on the quality of the repair work which is underway and which is not expected to be completed on schedule.

According to specialists, the situation is becoming alarming also as a result of the fact that fatigued metal and obsolete equipment should have already been replaced, considering that no new power plants are expected to be installed in the country during the 1991-1992 period, which will certainly further exacerbate the energy crisis.

Charity Meals Made Available; State Not Involved

AU1308190390 Sofia BTA in English 1744 GMT 13 Aug 90

[Text] Sofia, 13 Aug (BTA)—As of today poor people can get some free-of-charge soup in Sofia.

In front of the Sveta Nedelya Church—in one of the oldest squares in Sofia, two hundred Bulgarians got free-of-charge meals. The meals were prepared by the cooks of a Sofia restaurant granted on lease. The idea about the free-of-charge meals is theirs. They will offer food to the poor every Monday.

They believe they were going to have customers even earlier, but their number will grow in the future.

The travelling kitchen for the poor has made its come back in the life of Bulgarians after several generations of people who did not know what it is like nor could they imagine they would be waiting in line for such meals.

The cooks of the restaurant who revived the tradition would like other private companies, restaurants and people to follow the lead.

The church, the trade unions and the municipality of the capital are expected to join the enterprise.

For the time being the state stands outside such initiatives.

Western Companies Apply To Prospect for Oil

AU1108173990 Sofia DUMA in Bulgarian 8 Aug 90 pp 1, 3

[Report on interview with Petur Bokov, director of the Minerals Scientific Research Institute, by Katya Aneva; place and date not given: "Joint Companies Will Look for Oil in Bulgaria"]

[Excerpts] Seven Western companies have submitted official applications to participate in joint economic ventures with Bulgarian partners for geological prospecting and oil production in Bulgaria. This will solve the shortage of money and equipment for the discovery and development of oil and gas fields. This is the first time that such a form of cooperation has been practiced in East Europe.

We cannot name the seven companies, because this information is still confidential, said Petur Bokov, director of the Minerals Scientific Research Institute, but added: "They are among the big names in the petroleum business and are often mentioned in our press."

The first auction to attract foreign investments in our petroleum production industry prompted me to seek a meeting with Petur Bokov.

[Yaneva] Why did we decide to seek foreign help?

[Bokov] Our hypotheses indicated that petroleum deposits might be discovered in northeast Bulgaria, the foothills of the Balkan Range, in the eastern part of the Stara Planina mountain range, and on the Black Sea shelf. However, these regions have complex geological structures, and surveying is difficult. Therefore, we decided to attract Western companies, as they have better equipment and more money.

A few weeks ago, a gas field was discovered near the village of Kilifarevo, the fifth one found in the last two years. Of these five deposits, we will only be able to exploit the gas field near the village of Uglen before year's end. There is no money for the others. However, we have offers from three Western companies to form joint production companies. [passage omitted]

[Yaneva] How was the auction itself organized?

[Bokov] In Houston on 5 December last year, we explained our ideas and the results of our surveys to experts from about 70 companies, and repeated the exercise on 12 December in London.

We divided the region where petroleum will probably be found into 10 blocks, and prepared an information package for each of them. Each package costs $75,000, and 18 companies purchased such information. Of these, 15 came to Bulgaria to investigate on the spot, and purchased a further $2 million worth of information.

In the next stage the companies submitted their working programs to us. There were four or five candidates for

some blocks, while for others there was only one. The actual auction consisted of evaluating these programs, and at this point our own specialists had their say. We are also being helped by consultants from the UK and Norway, because the contracts contain certain fine legal and commercial points with which we are not familiar.

[Yaneva] Could you describe our relations with the foreign companies?

[Bokov] The foreign company, if it wins the auction, takes one or two blocks. During the next two to three years it will carry out probe borings and surveys at its own expense, but using Bulgarian specialists. If no oil is found, they will go home—the risk is theirs.

If we discover something, a joint company is formed according to the provisions of Decree No. 56. (In fact, this decree was included in the information package, and our Western partners were satisfied with its conditions.) The ownership of the company is split 50-50 between the foreign company and ourselves.

If oil or gas is discovered, 75 percent of the production will remain in Bulgaria, after deducting the various taxes and awards applicable to the petroleum business. The other side will take the remaining 25 percent of the production.

However, we are winning time and will be able to gain access to the crude product faster.

[Yaneva] What attracts the Western companies?

[Bokov] First, there is existing geological evidence concerning the discovery of oil and gas fields. Second, the comparatively good infrastructure (roads and ports), and the favorable climate. Third, our highly trained specialists—up to 90 percent of the staff will be Bulgarian.

[Yaneva] What would you say to the accusation that you are selling the country down the river?

[Bokov] I have already heard such charges, but they do not hold water. We are accepting only those offers which are most advantageous for us, offers that provide for a complete geological survey of the block in question, as well as training of personnel. We are strictly observing the program for environmental protection, and demand the same from the companies. We also invite representatives from Ecoglasnost to attend our talks.

However, the most certain protection is the fact that the oil production companies will be joint ventures.

A similar method of action is also being applied in many countries in the world, because in principle oil fields are difficult to develop. Only in East Europe are we are the first to do this.

Ruse Parliamentary Delegation Visits Romania

AU1308201590 Sofia Domestic Service in Bulgarian 1930 GMT 13 Aug 90

[Text] A representative delegation of the Grand National Assembly, composed of parliament members from the Ruse area, visited Bucharest today.

As the Romanian Parliament is currently in recess, our delegation met with individual parliament members and experts.

The Romanian side received the declaration of the Grand National Assembly to the Romanian Parliament adopted on 26 July 1990 and which related to ecological problems affecting Ruse and other Bulgarian towns situated on the shores of the Danube.

It was pointed out during the talks that methods should be sought for the solution of ecological problems in the border areas between the two countries.

Special attention was devoted to the ecological situation in the Ruse-Giurgiu area, and the question of the Kozloduy Nuclear Power Plant was also discussed.

An agreement was reached on intensifying contacts between the two countries' parliamentary commissions on ecological issues.

The Bulgarian side evaluated the talks as useful and it is expected that the Romanian Parliament will respond in due time.

Semerdzhiev Receives USSR Ambassador Sharapov

AU1308162790 Sofia Domestic Service in Bulgarian 1500 GMT 13 Aug 90

[Text] Atanas Semerdzhiev, vice president of the Republic, received Viktor Sharapov, USSR ambassador extraordinary and plenipotentiary to Bulgaria, at the latter's own request. They exchanged opinions on a wide range of questions related to bilateral relations and to the international situation.

Foreign Ministry: Citizens in Iraq, Kuwait 'Well'

LD1308203290 Prague CTK in English 1910 GMT 13 Aug 90

[Text] Prague Aug 13 (CTK)—According to information of Czechoslovakia's representative bodies in Baghdad and Kuwait, all Czechoslovak citizens who are currently in Iraq and Kuwait are well.

This was stressed in a statement issued after a session of the crisis staff of the Czechoslovak Foreign Ministry created in connection with the situation in Iraq and Kuwait, led by First Deputy Foreign Minister Robert Harencar.

On the basis of the latest information from Czechoslovakia's representative bodies, the Iraqi ambassador in Prague and from other sources, the staff instructed the Czechoslovak ambassador to Kuwait to start immediate evacuation of all Czechoslovaks who want to leave Kuwait for Iraq where there is accommodation for them. According to possibilities they will travel to the Jordanian capital of Amman from where Czechoslovak planes will fly them home.

The first group of Czechoslovak citizens is to leave Baghdad for Amman on August 14, 1990.

[Prague Domestic Service in Czech at 1930 GMT on 13 August in a similar report adds: "According to information from the Czechoslovak diplomatic office, the immediate evacuation of all our citizens from Iraq is not possible because the Iraqi side insists on the honoring of contracts on the activity of Czechoslovak experts. For this reason the crisis team decided to undertake the evacuation of their families for the moment."]

Iraqi Students Blame Husayn for U.S. Presence

LD1308185390 Prague Domestic Service in Czech 1630 GMT 13 Aug 90

[Text] The Iraqi Students Union in Czechoslovakia [svaz irackych studentu v ceskoslovensku] demands the withdrawal of all foreign armed forces from the Persian Gulf and denounces Saddam Husayn for being responsible for their presence.

In a statement issued today, the union said that the so-called peace initiative of Iraqi President Saddam Husayn is a step by which Husayn intends to justify his aggression against Kuwait and present it as a path toward liberating Palestine.

President Havel Visits Chamorro in Nicaragua

WA1408112990

For reportage on President Havel's visit to Nicaragua, including his welcome by Nicaraguan President Violeta Chamorro, see the Nicaragua section of the 14 August Latin America DAILY REPORT and subsequent issues.

Deputy Premier on Federal-Republic Relations

LD1308210090 Prague CTK in English 1832 GMT 13 Aug 90

[Text] Prague Aug 13 (CTK)—Czechoslovak Deputy Premier Pavel Rychetsky said today that representatives of the Federal, Czech and Slovak Governments agreed last week that it is impossible to wait another two years for the new Constitution to settle the powers and many issues should be discussed immediately.

Reporting on the closed-door meeting at Trencianske Teplice, West Slovakia, on August 8-9 at a press conference here today, Slovakia proposed that the powers in the so far federally controlled branches—power industry, telecommunications, transport, foreign trade, uranium mining and metallurgy—be transferred to the republics. In view of the fact that this would be a serious intervention in the state's economic integrity, it was agreed to set up nine commissions of experts to consider external economic and trade relations, finance and banking, foreign policy relations, telecommunications, transport, power industry, questions related to the market and social policy, de-monopolization and the position of the press, radio, television and the Czechoslovak news agency CTK. At its meeting today the government decided to set up the tenth commission for common economic strategy. The commissions will work till the end of September, Pavel Rychetsky stated, and added that in transferring the powers it will be necessary to take care that the serious economic situation in the country is not further complicated.

In Rychetsky's opinion the new republic constitutions should be ready within roughly a year and the Federal Constitution within two years.

The federal deputy premier stressed that the representatives of the three governments expressed themselves in favour of the Czechs and Slovaks to continue living in a common state. "We are seeking new horizons for our federation and firmly believe that we shall choose an arrangement that will ensure a dignified life of the Czechs and Slovaks in a common homeland," Pavel Rychetsky added.

Social Democracy Criticizes Government Policies

AU1008142290 Prague HOSPODARSKE NOVINY in Czech 9 Aug 90 p 8

[CTK report: "Social Democracy Criticizes the Government"]

[Text] Prague—It is implied by the statement issued yesterday [8 August], that the party presidium feels uneasy about the economic development and, above all, about the pace of the transition to a market economy. Social Democracy was the only political force in the preelection period to criticize the lack of readiness and the poor quality of the preparations for the transition on the side of the government, as well as on the side of the legislative bodies. The post-electoral development

unequivocally confirms the justification of this criticism. We consider it unacceptable, the statement emphasizes, that the problems arising from the nonsensically set prices of beef, for instance, be dealt with by exporting beef for such prices as published by the media—i.e., for 1.20 Deutsche marks [DM]. It is absolutely absurd that, on the one hand, Mr. Klaus insists on the price liberalization deadline of 1 January 1991 and, on the other hand, he intends to realize the tax reform only in 1993. Without the tax reorganization, without security and regulations for both the Czechoslovak and the foreign entrepreneurial subjects, one cannot realistically contemplate privatization and the development of the market system. With respect to the media information on the cost of 8 billion korunas to the national economy of the devaluation of the Czechoslovak currency, we consider it necessary that the Federal Ministry of Finance, and Mr. Klaus, federal minister of finance, in particular, inform the public objectively and comprehensively of all the impacts of their, in many cases incompetent and unqualified, decisions.

HOS Petition Calls OF Leadership 'Dictatorship'

AU1308204390 Prague PRACE in Czech 10 Aug 90 p 2

[CTK report: "A Few New Sentences"]

[Text] Prague—A statement called "A Few Sentences 1990" signed by representatives of the Movement for Civil Liberty [HOS] has been published in the most recent edition of KURYR, an independent weekly printed and published by the NOVINAR publishing house. Among those who signed the statement are Petr Cibulka, Jan Adam, Bedrich Hlinka, Jiri Medek, Lubor Faltejsek, and Eva Vidlarova.

The statement contains the following: "A Few Sentences a year later. A year ago, on 29 June 1989, a citizens' petition known as 'A Few Sentences' was published. However, not all the demands made public have—so far—been fulfilled. Therefore, here we are again. We are dissatisfied with recent developments, particularly prior to and following the elections.

"1. We are again alarmed by the attacks being made on the freedom of information. We are also alarmed by the insufficient flow of public information. In essence, we have replaced government by one party with the dictatorship of another. Theoretically, we are all part of the Civic Forum [OF] and, allegedly, we may all discuss public issues, but—as always—everything is different. The dissident elite which was present at the birth of OF and which had the justified trust of the general public has long departed the scene for the most senior state functions and offices and third rate 'hangers on'—most of whom have an inauspicious past and who crushed the original beautiful idea that the OF will automatically dissolve itself when a law-governed state comes into being—remain at the helm. Instead, political power in our country is wielded by the self-styled OF Coordinating Centers whose representatives, drunk with victory, have decided to continue with their easy careers.

"2. Any kind of control by the membership base—not that we have in mind the cadre policy of the 'old order'—is impossible. Despite this, we think that during this absurd transition period, in which the OF will remain an untraditional political movement without membership cards, it is impossible to leave to chance what direction this transition period will take.

"3. Where there is uncontrollable power, only totalitarianism can evolve. Where citizens are pushed aside in the name of democracy, the end of this democracy begins without it coming to fruition at all.

"4. It is possible to label the OF's policy as a classical cabinet policy in the worse sense of the word. For these reasons the immediate democratization of the OF Coordinating Centers is necessary; this should be done from bottom to top by the rank-and-file membership base or by the withdrawal of these centers from our political life.

"5. We are forced to demand the complete publication of information concerning 17 November, including the political background to the 'Norbert' and 'Klin' incidents as well as the situation at the Federal Ministry of the Interior and the 'Sachergate' affair.

"6. The electoral victory gained by the OF because it was the most successful at alarming the voters, is, in our opinion, a temporary victory. In the interest of true democracy, we will endeavor to ensure that the OF's voters are given an opportunity to see through this short-sighted policy.

"7. We demand that parliament immediately authorize the government to sign the 1966 Optional Protocol on the International Pact for Civil and Political Rights.

"Conclusion: We appeal to all members of the independent initiatives to unite in a union of independent initiatives in defense of our developing democracy and to add their signatures to 'A Few Sentences 1990' in protest against the OF's undemocratic and partisan behavior.

"Dated 29 June 1990".

Vojtech Sedlacek, an OF Coordinating Center representative, told CTK the following: "My personal opinion of the 'Few Sentences 1990' petition is that it is absolute nonsense. Therefore, I will not even comment on it."

Tomas Zelenka, one of the three HOS spokesmen, said: "The statement has been signed by several signatories from the HOS, but this does not mean it is an official HOS document. None of our movement's spokesmen knew anything about the publication of 'A Few Sentences 1990.'

CPSL Official on Party's Policy, Renewal

AU1008142590 Bratislava PRAVDA in Slovak 7 Aug 90 p 6

[Report on interview with Vladimir Jakubac, Communist Party of Slovakia Central Committee Executive Committee secretary, by Martin Krno; place and date not given: "An End to the Changes Would Be Disastrous"]

[Excerpts] The July Communist Party of Slovakia [CPSL] session scheduled the CPSL congress for 20 and 21 October. Another round of discussions on the future character of our party is taking place. In this connection, Vladimir Jakubac, CPSL Central Committee Executive Committee secretary, granted us an interview. [passage omitted]

[Krno] Many people succumbed to the euphoria of the election results. They consider 13.5 percent of the vote to be proof that it is not necessary to reform the Communist Party of Czechoslovakia [CPCZ]. It is enough just to get rid of a few of the functionaries who discredited it....

[Jakubac] Maintaining the status quo within the CPCZ, just looking at the election figures, not taking into consideration who voted for us and who did not, and not showing an interest in the situation in the left-wing movement would be disastrous for us. There is still a great deal of chaos within the party. Those who remained hidden during the most trying times are now sticking their heads out of the foxholes. They are lecturing us on what should and should not have been done prior to the elections. Everyone is a general after the battle. I am convinced that if we stopped the process of change within the party, we would never achieve a more significant electoral success. First and foremost, it is up to us whether or not the majority of society stops looking suspiciously at the CPCZ.

[Krno] What do you say to the view that we should sit back with folded arms until social problems exacerbate and then, apparently, our hour will come once again?

[Jakubac] A philosophy of "the worse, the better" cannot be, understandably, our program. We are really aware of where our economy was heading before 17 November and why so many attempts at economic reform were unsuccessful. Our party will support all well-considered changes in converting our economy to a modern market economy. This support is, of course, with the condition that there is a specific guarantee for our social certainties so that the negative impacts on broad sectors of the population are kept to a minimum.

[Krno] To the majority of Communists the ideas about a modern left-wing party are rather abstract. Has the CPSL leadership specified them or are we still lingering over a definition of what we want to become?

[Jakubac] Several variants have been drafted. Do not expect that our leadership itself will unequivocally formulate what a modern left-wing party is. One of the modern criteria is that we will not be an ideological institution, but a political party open to society and the world. Discussions at members' meetings alone will not bring renewal, especially if we only become wrapped up in our own problems. Bilateral communication with society is also one of the traits of a modern party. Our political science institute and many clubs and groups of experts are also formulating new ideological starting points. We are seeking new forms and methods of work. In the very near future, members of the Central Committee, our political staff, and our deputies will travel to the districts in order to explain their ideas about the further course of action to be taken in transforming our party. Let no one say that the leadership is dictating the policy for the party's renewal to each Communist and to each primary organization under its own specific terms.

Public Against Violence Assembly Meeting Held

AU1308080390 Bratislava VEREJNOST in Slovak 6 Aug 90 pp 1, 2

["(SM)"-signed report: "A Dramatic Conclusion Does Not Augur Anything Evil"]

[Text] Bratislava— The Public Against Violence [VPN] movement assembly delegates has approved the draft organizational structure of the VPN.

Among other things, this structure defines three kinds of membership: a regular member [riadny clen], an associate member [volny clen], and a collective member [kolektivny clen]. It also establishes the jurisdiction of the VPN organs—the supreme organ is the Republican Assembly which meets at least once a year. During the period between Assembly meetings, the supreme organ is the VPN Slovak Council and the VPN Coordinating Center is its executive organ. The working organs of the assembly are special groups—for example, the group for economy and enterprise, the group for women, mothers and families, and the group for communal policy. They are established according to delegates' proposals, and they invite Slovak National Council members and Federal Assembly members to their meetings. The Assembly delegates approved the establishment of a working group which will develop and—while respecting the organizational structure—draft VPN Statutes, not later than the next Assembly meeting.

District representatives noted the information regarding the draft law on local elections. They agreed to deliver the delegates' comments on this law to the deputies of legislative organs who have the VPN mandate.

The assembly delegates dealt with the question of making the Slovak language the official language. The VPN Assembly considers this question important. This question is a part of the Slovak Republic Government's legislative plan; also the Slovak Republic's draft constitution of this April directly deals with this matter. This draft was prepared in Prof. K. Plank's collective, which contains a number of VPN experts on constitutional questions. The VPN members, as well as assembly

deputies, dealt in depth with the draft law on official language, including solutions to everyday problems of the language. The VPN has begun working on analyses and comparative studies on language laws in Europe and in the world, while respecting Czechoslovakia's international obligations. Also, opinion polls on this matter have been initiated in Slovakia. The objective is to contribute—not only by legislative means, but also by implementing practical steps—to the solution that would reflect the situation and the wish of the population of the entire Slovak territory.

Already during the discussion about the aforementioned agenda issues, some delegates went beyond the subject and began to talk about the situation in enterprises, about old structures remaining in place, and about protecting the representatives of the political changes against personal attacks and attacks against their positions in enterprises.

In order to increase the public supervision over the legality in the labor relations and to improve the protection of the employees' rights, the delegates demanded that basic principles for the hiring process be elaborated. The need for privatization and its ways were discussed.

After the assembly meeting ended late at night, a dramatic situation arose. The reason for this was the fact that, by adopting the resolution, the assembly violated its own decision which had been perviously adopted. What was the problem?

From that very morning, the course of the discussion indicated that the assembly would not be able to avoid discussion about the problem regarding Jan Budaj, and that opinions about this matter would vary enormously. In the afternoon, after suggestions made by Jan Budaj, Fedor Gal, Eva Fifikova, and Daniel Brezina, it was approved by a large majority of votes that the discussions about Jan Budaj and about how the movement has been established would be discontinued and left for the next assembly scheduled for September. Later, a request came again from the forum that support for Jan Budaj be unequivocally expressed in the text. After a discussion, the assembly approved this.

Immediately after the official closing of the assembly, Fedor Gal took the floor. He draw attention to the fact that the way the resolution had been formulated violated the previous decision made by the assembly, the latter was—according to him—a compromise and was politically acceptable. He also said that the modified text was contradictory to his personal opinion that he had expressed on multiple occasions at the VPN Coordinating Center and at the VPN Slovak Council. He presented a personal request that he be released from his position of VPN Coordinating Center chairman and Slovak Republic's VPN deputy chairman.

After more information had been provided by Fedor Gal, a controversial and emotional discussion continued. During the discussion, Jan Budaj also took the floor and announced his decision not to campaign for his function during the next assembly. Jan Flamik, VPN Coordinating Committee deputy chairman and VPN Slovak Council member, calmed the discussion down by saying, among other things, that what had happened was not a political duel but a confrontation of moral positions. He stressed that it was not necessary to "make a tragedy out of the whole matter," and that, on the contrary, it is necessary to appreciate people's trying making peace with their conscience.

Since the assembly's discussion and also the post-assembly discussion were not held behind closed doors, differing individual attitudes regarding this question could be seen, and that is why we can expect new and differing opinions to appear on what happened in Mozart's House Saturday night, as well on the causes that preceded them.

[Bratislava VEREJNOST in Slovak on 7 August on page 1 carries the following "VPN Coordinating Center Declaration:"

The VPN Coordinating Center respects the decision made by Jan Budaj not to run for the highest VPN's positions in the elections to be held in the next period. At the same time it decided that Fedor Gal would remain in the position of the VPN Coordinating Center chairman would the next VPN assembly which will take place on 9 September 1990.

Dated in Bratislava on 6 August 1990.]

Slovak Official on Czech-Slovak Jurisdiction

AU1308161290 Bratislava NARODNA OBRODA in Slovak 11 Aug 90 p 3

[Report on interview with Slovak Deputy Premier Jozef Kucerak by Marta Moricova; place and date not given: "We Need A Civilized Dialogue"]

[Text] In our previous interviews with Jozef Kucerak, Slovak deputy premier, on the current economic situation, we discussed the Slovak Government's options for eliminating the unfavorable decisions made by the federal government. Meanwhile, a meeting involving all three governments has taken place. Why did it take place? There will be more about this in the interview.

[Kucerak] The options for eliminating unfavorable decisions made by the federal government are, to date, rather limited. This is as a result of divided jurisdiction. We do not suspect the federal government of deliberately making bad decisions. We know it is trying to make correct decisions, but the question is whether it is possible to make correct decisions in a situation when some things are managed from Prague and others are managed from Bratislava. This is an illogical way of doing things. For example, one of the repercussions of this is that, if the federal government decides to wind down or develop some enterprises, then we in Slovakia have to deal with the social consequences of this decision. Let me put it another way: If production is wound

down at a mine or an industrial enterprise, the federal government will probably be interested in how we are coping with these peoples' employment. We need—and we require—all branches to be managed at the republican level because the Slovak Government is responsible for Slovakia's overall development, and not just for specific aspects of it. Alternatively, we do not want to deal only with the unfavorable effect of the decisions the federal government makes in certain branches.

[Moricova] Which ones, for example...?

[Kucerak] It decided to wind down extraction in Handlova and in Prievidza. However, the question is whether extraction really has to be wound down if Jaslovske Bohunice is closed down, when Gabcikovo is not in operation, and when the import of coal from North Bohemia is complicated due to the situation on the railroad. On the other hand, coal from North Bohemia is not cheap as ecological costs have to be calculated along with the overall cost.

[Moricova] Why is it better to make decisions closer to the area affected by them?

[Kucerak] Every decision made closer to the area affected by it is a more competent decision. Apart from this, what we are demanding is a return to the ideas expressed about the federation in 1968. Unfortunately, some people regard the attempt to increase national competency as an endeavor for separatism. However, dividing our economies is not the issue here; the issue involves eliminating unnecessary centralism in economic management.

[Moricova] However, we will continue to have a joint economy....

[Kucerak] We will retain the fundamental elements of our single economy; for example, a common currency, financial emissions, and common principles in our taxation and excise policy. However, we cannot consider the fact that a certain ministry is in Prague to be the basis for a single economy. This has nothing in common with unity. Therefore, it upsets me that our efforts for national economic independence are sometimes summed up as Slovak separatist intentions. As Mnacko says, some Czech chauvinists would like to make out that we are whipping boys. A recent example of this attitude is the Czech press' explanations about Andrej Hlinka or the protest made by Czech compatriot associations against the appointment of Mr. Schuster as our ambassador to Canada.

[Moricova] However, this is not the opinion of the majority. Many people in Bohemia and in the federal government certainly understand the essence of the problem.

[Kucerak] Recently, we received the first, more fundamental, response to our endeavor. We held a meeting in Trencianske Teplice involving the federal government deputy premiers and the republican government premiers where we discussed our ideas about competency in managing branches of the economy. We reached the concurring conclusion that the federal Government should have only the most essential jurisdiction and that the republican governments should be responsible for matter of fact branch management. However, it is necessary to say openly that the Slovak Government is in the first line of this endeavor. This is understandable in essence: The Czech citizen is unaware of this need, as are all the central institutions in Prague. If something is shifted from the federal level to the Czech level, the citizen is unaware of it because the federal level is usually regarded as Czech. The possibilities for eliminating the unfavorable impact of federal decisions are—to date—poor, but I expect that the aforementioned meeting will result in specific steps being taken—changes to the jurisdiction law and changes in the federal ministries.

It is necessary to continue with such meetings and such dialogue. For more than 40 years there has been absolutely no dialogue here. We have now been conducting this dialogue for six months and, if things do not immediately turn out the way we expect, we cannot say that we are going to separate. In my opinion, a nation that does not know how to conduct a dialogue with another nation will not even be capable of conducting one in the process for a united Europe.

Slovak Republic Ministry Reorganization Draft Law

AU1308195490 Bratislava NARODNA OBRODA in Slovak 8 Aug 90 p 2

[Communique issued by the Slovak Republic Government Session; place and date not given]

[Text] Bratislava—At its session on 7 August 1990, the Slovak Republic Government approved a draft Slovak National Council law on the reorganization of the ministries and the other central organs in the Slovak Republic state administration.

The draft law is intended to abolish the Slovak Commission for Planning and Scientific-Technical Development; some of its functions will be transferred to the newly established Slovak Republic Ministry for Economic Strategy and to the Slovak Republic Ministry of the Economy. The function of the Slovak Republic People's Control Committee will be taken over by the Slovak Republic Ministry of Control. Apart from this, the names of some other ministries are being amended.

The Reorganization of the Ministries

The function of those branch economic ministries which, in harmony with the government's policy statement, will be discontinued and merged with the Ministry of the Economy within two years is also being amended in the draft law. During this period, the possibility of amalgamating the Ministry of Agriculture and Food and the Ministry of Forestry and Water Management will be considered. Activity in the pharmaceutical industry

sector will be transferred from the Slovak Republic Ministry of Health to the Slovak Republic Ministry of Industry in view of the close connections between the pharmaceutical industry and the chemical industry; as far as the wood-processing industry is concerned, it will remain for the time being within the competency of the Slovak Republic Ministry of Forestry and Water Management, although this classification will be removed from the department's name. The execution of the state administration for press and mass information media issues, as well as for church issues, will remain within the competency of the Slovak Ministry of Culture with the proviso that consultative bodies are established at the government level headed by the deputy premier. These bodies will consider conceptual issues and will carry out a coordinating function. However, state administration in the aforementioned issues may only be executed by the ministry as a central organ of state administration. The establishment of a new central organ of state administration for information policy and the mass media is planned following an amendment to Article 28 of Constitutional Law No. 143/1968 on the Czechoslovak Federation and Law No. 167/1968 on demarcating the activity of the CSFR in press and other information issues.

A Ministry of International Relations

Based on the point of view of the majority of members of the Slovak Republic Government Legislative Council, the establishment of a Slovak Republic ministry of international relations has also been proposed; this is despite the fact that the expected change to the law on Czechoslovak Federation has not yet taken place. According to the regulation cited, foreign policy, concluding international treaties, representing the CSFR in international relations, and making decisions on issues of war and peace fall within the exclusive purview of the CSFR. The Slovak Republic ministry of international relations will carry out its activity in such a way that it will not violate the federation's aforementioned exclusive competency. For example, it will become involved in representing Slovakia in the broadest sense of the word, in preparing for international cooperation, and in providing mutual information with the CSFR and Czech Republic organs. Engineering, electronics, and extracting and processing ores and magnesite will be transferred from the competency of the federal government to the Slovak Republic Ministry of the Economy.

Modernizing the Learning Process

The government then discussed a program of changes in the education system, which was put forward by the Slovak Republic minister of education, youth, and physical training for the years 1990-92 and on which the Czech ministry is also currently working. Following their approval and harmonization with the Czech Republic's program, they will be projected into the new laws. Demands and suggestions made by the public, students, civic initiatives, and social and special interest organizations are contained in the program. It was also discussed with the departments involved. It pursues the aim of modernizing the learning process and its material base, of utilizing experience from education systems in advanced countries, and of bridging the gap between science and education, among other things, by changing the structure of secondary schools. The changes are also aimed at eradicating the deformations in ethnically mixed territories in the Slovak Republic, at significantly increasing teachers' salaries, and also at increasing the income of the nonteaching staff. A particular element is made up of a program of changes in physical education and in the comprehensive care for children and young people, including special education centers. This is a starting point for the long-term concept for the education system.

A Decrease in Agricultural Land

In a report on the development of agricultural land and forestry resources in Slovakia during 1989, the government stated that it had proceeded in harmony with the government's principles and existing resolutions in accordance with the expected decrease in agricultural land and the increase in the amount of forest acreage. The overall decrease in agricultural land last year was 4,983 hectares; arable land decreased by 528 hectares as opposed to 3,868 hectares in 1988. The amount of forest acreage increased by 7,551 hectares.

Arable and Protected Land

The government agreed with the promulgation of a decision on its consent to the permanent surrender of 12.6 hectares of especially protected arable land in the registered territories of Malacky, Plavecky Stvrtok, Lab, and Kostoliste for the construction of an underground natural gas storage container.

Reducing Beef Prices

The impact of the increased beef prices on agricultural organizations, on trade, and on the population's nourishment was evaluated in a lively and extensive discussion. The government entrusted the minister of agriculture and food, the minister of trade and tourism, and the minister of finance with discussing and specifying methods for temporarily reducing beef prices along the lines that the designated prices are the maximum prices, and the government—for the purpose of the gradual introduction of a market economy and prices liberalization—will enable agricultural, purchasing, and commercial organizations to reduce prices. It may be envisaged that in individual districts, in accordance with specific conditions, the price of beef in Slovakia will be reduced by 10-15 percent; that is, by up to 10 korunas per kilo.

Personnel Issues

The government then discussed several personnel changes. It recalled Peter Sedlak from his post as deputy health minister and appointed Martin Domes to this position. Maria Kolarikova was appointed deputy minister for the administration and privatization of national

property. It recalled Jaroslav Kubecka from his post as deputy industry minister and appointed Frantisek Cepcek to this position. It appointed Jaroslav Kubecka, Ignac Prna, Stefan Petras, and Michal Baranik deputy ministers of the future ministry of the economy. Zdenek Alexy was appointed Slovak Republic Government plenipotentiary for establishing a stock exchange and Lubomir Doglos was appointed Slovak Republic Government plenipotentiary for establishing a Slovak antimonopoly office.

International Relations Ministry Proposed

LD1308194890 Bratislava Domestic Service in Slovak 1630 GMT 13 Aug 90

[Text] The deputies of the defense and security committee of the Slovak National Council convened this afternoon at their fifth meeting. They discussed three government bills. Editor Lydia Mrazova asked Ladislav Kosta, minister of justice of the Slovak Republic, about one of them—the government bill of the Slovak National Councils law on the organization of ministries and other central bodies of the state administration.

[Begin recording] [Mrazova] Mr. Minister, the government bill on the law which is being discussed in the defense and security committee proposes among other things the setting up of a ministry of international relations. Why this ministry, and what is the difference between this proposed ministry and the Ministry of Foreign Affairs?

[Kosta] We have no doubt whatsoever that control and coordination of foreign policy is solely under the jurisdiction of federal bodies. We want to set up this ministry to create conditions—by its real activity and not only be empty slogans—for making the whole world more aware of our nation. Its aim will be to provide the formal conditions for us to be able to enter into direct international relations not only with our neighboring states but also with other states in the field of economic and cultural cooperation, that is, everywhere where Slovak national and state identity has the opportunity to enter the awareness of the whole world more significantly, and the ministry is to create conditions for such cooperation. These are our aims, and we hope that the federal bodies will show understanding for them as the current law and the constitutional law on federation No. 43, although modified by a number of amendments, still could formally put a stop to such a move. We hope that as a result of our further talks directed at transferring jurisdiction from federal to national bodies, we shall succeed in defending this idea of ours. By setting up this ministry, we are actually creating a first legal basis for implementing this idea. [end recording]

Slovak Separatist Movement Founder Interviewed

AU1408082190 Prague PRACE in Czech 8 Aug 90 pp 1, 3

[Interview with Vojtech Vitkovsky, "authorized representative" of the Movement for Independent Slovakia, by Renata Havranova; place and date not given: "Breaking Up Czechoslovakia?"; first paragraph is PRACE introduction]

[Text] At the Slovak Republic Ministry of the Interior, the Movement for Independent Slovakia has been registered. I asked Engineer Vojtech Vitkovsky what the movement's goals are.

[Havranova] You are the founder of the Movement for Independent Slovakia. What led you to take this step?

[Vitkovsky] The movement was established as a reaction to the peoples' discontent with the solutions to Slovak problems and questions. The structures fighting against the totalitarian regime very often quoted the General Declaration on Human Rights. We Slovaks welcomed this endeavor. The reality is, however, that at the slightest notion that the issue of Slovak statehood, identity, and sovereignty should be solved—in accordance with the existing Constitution, but also with the previous state-forming documents—derogatory words, like nationalist, chauvinist, separatist, clero-fascist, etc., are used again. Official authorities place a smokescreen around the history of Slovakia and its nation—despite their proclamation that we should speak the truth.

[Havranova] What is your main goal?

[Vitkovsky] Our principal goal and main working methods are to support all the political parties and movements, national and state organs, if their goal is the establishment of an independent Slovakia as a progressive, democratic, and humanistic Slovak State.

[Havranova] You are for absolute Slovak independence and you believe that this is the only way to make your further development possible. What are your ideas about international relations and how do you want to solve problems of economic cooperation with the Czech Republic, etc.?

[Vitkovsky] We are positive that conditions have ripened and that the assertion of Slovak statehood in international cooperation is inevitable. Only under the conditions of our own statehood will we be able to develop independently and to solve all the problems. This does not mean that we want to separate ourselves from neighboring countries and the rest of world. On the contrary, we want to closely cooperate economically, culturally, and politically. As soon as our relations are based on equal rights, we can, together with the Czech nation, help build the new Europe.

[Havranova] What is the reaction to the establishment of the Movement for Independent Slovakia?

[Vitkovsky] The reaction is exceptionally positive and originates in the fundamental desire of the Slovak nation. We are not striving for seats of deputies and ministers, but we want to fulfill the hundred-years long and never satisfied yearning of Slovaks for freedom, independence, and our own identity—simply, for something that any nation in the world protects and cherishes.

[Havranova] How do you picture the life of minorities in the independent Slovakia?

[Vitkovsky] The life of minorities in the independent state has already been historically verified. Slovaks were and are known for their will to coexist and Slavic hospitality. When such a coexistence with ethnic minorities has been violated, then it was a consequences of the intervention from the outside. For example, we lived in harmony with other ethnic minorities. Some of them even inhabited the most fertile parts of our territory and they still inhabit them. Our goal will be the welfare of Slovaks and national minorities in a country which we will share.

[Havranova] Does this mean that the jokes that I will need a passport in order to visit my parents and that the editorial office will pay me in foreign currency would cease to be jokes as soon are your objectives are achieved?

[Vitkovsky] Those are jokes only, indeed. A man has the right to live where he wants. We will create full conditions for social, material, and economic development, we will provide health insurance and education so that every citizen belonging to other ethnic group could reinforce his Slovak patriotism.

[Havranova] ??? [puctuation as published]

[Vitkovsky] It cannot be otherwise. Organs of the Slovak State will be the guarantor of our full-fledged life.

[Havranova] How to you want to directly influence political events?

[Vitkovsky] The movement has no representation in state and national organs. We can contribute our ideas to the solution of the nationality question only indirectly. In the immediate future, we want to start preparations for local elections and to present our representatives. I believe that they will contribute to bettering the quality of life on their territories, that they will be engaged in such activity as will contribute to the stability of social care and high level of education. They will help tackle with the new problems that the life will bring about. Pushing for Slovak statehood remains the number one task, however.

Daily Suggests 17 Nov Student 'Pawn'

AU1008132590 Prague LIDOVA DEMOKRACIE in Czech 8 Aug 90 p 3

[CTK report: "Was D. Drazska A Pawn?"]

[Text] The Regional Prosecutor's Office in Prague has issued a statement to CTK concerning Drahomira Drazska. We quote the following from it:

Based on a request made by the CSFR Federal Assembly Parliamentary Commission, and on a suggestion from the Czech Republic Prosecutor General's Office, an investigator from an investigation group at the Regional Prosecutor's Office in Prague has verified the suspicion against Drahomira Drazska who, shortly after the events on Narodni Trida in Prague on 17 November 1989, spread a report among citizens from independent initiatives that the student Martin Smid had been killed by the intervening National Security Corps order enforcement units.

It ensued from the investigation carried out that Drahomira Drazska denied that she had said anything at all about the death of Martin Smid. Later, she stated to an investigator from the Regional Prosecutor's Office, among other things, that she fabricated the information out of anger because she herself had been beaten during the demonstration. She eventually admitted she was aware that she was spreading a lie in the case of the alleged death of Martin Smid. She refused to explain the other circumstances—especially, the motivation for her original claim. Based on this fact, the investigator from the Prosecutor General's Office decided on 3 July 1990 to suspend the investigation as the proceedings against Drahomira Drazska are related to the president's amnesty of 1 January 1990. However, the decision to suspend the investigation does not mean that if new evidence is uncovered, criminal proceedings cannot be instigated. Some indirect evidence and the chronological comparison of individual statements indicate that Drahomira Drazska could be a pawn of persons who do not fall under civilian jurisdiction.

Criminal Proceedings Against Stepan Suspended

AU1308162890 Prague RUDE PRAVO in Czech 11 Aug 90 p 2

[CTK report: "Apropos the Stepan Case"]

[Text] Prague—On Friday [10 August] the Czech Republic Prosecutor General's Office issued the following statement to CTK: On 3 August an investigator from the Czech Republic Prosecutor General's Office decided to suspend criminal proceedings against the accused Engineer Miroslav Stepan in connection with the intervention made by National Security Corps order enforcement units on 17 November 1989 on Narodni Trida in Prague 1. The possibility of taking criminal proceedings against M. Stepan for this conduct is prevented by an amendment to the Penal Code effective as of 1 July 1990. According to the regulation contained in Article 7, Paragraph 1 of this law, only the person who—by means explicitly stated in the aforementioned law—prepares a particularly grave criminal act can implement the preparations for this criminal act. However, the criminal act for which M. Stepan was tried and which involves a prison sentence of six months to three years is not one of these acts.

M. Stepan has already been sentenced to four years imprisonment by the district court in Prague 1 for other criminal activity involving the abuse of a public official's

authority and for abetting a criminal act during demonstrations in Prague on 28 October 1988 and in January 1989. The sentence has not yet acquired the full force of the law.

Bartoncik Denies Connection With Orfei Case

LD1308174390 Prague CTK in English 1535 GMT 13 Aug 90

[Text] Prague Aug 13 (CTK)—Chairman of the Czechoslovak People's Party Josef Bartoncik handed over a statement to CTK today which resolutely rejects the accusation of having played a role in the attempts at discrediting some Italian politicians.

Josef Bartoncik stressed that he read only in the daily press about the existence of materials which allegedly prove cooperation of some Italian politicians with the Czechoslovak intelligence service. He underlined that former Czechoslovak Minister of the Interior Richard Sacher had informed neither him nor the Presidium of the Czechoslovak People's Party about any contacts he had and facts he knew as the federal minister of the interior.

"In view of the fact that the source of information of the LA REPUBBLICA daily special correspondent A. Tarquini seems to be in Prague, I consider the whole affair another attempt to discredit me, the entire Czechoslovak People's Party, and, moreover, to violate our good and developing relations with Italian Christian Democracy and the European Christian-Democratic movement as a whole", Bartoncic said in his statement.

Economy Contracts; Productivitiy Drops Jan-Jun

LD1308180190 Prague CTK in English 1652 GMT 13 Aug 90

[Text] Prague Aug 13 (CTK)—In the first six months of this year, the Czechoslovak economy was influenced both by present changes occurring in the country and the long-lasting effects of the negative tendencies of the past.

The aggressive output of the nationalized industry was of 441,200 million crowns (15.90 Czechoslovak crowns [Korunas] equals one U.S. dollar) in prices corresponding to the year 1984, i.e. three per cent less than in first six months of 1989. The daily production output decreased by 1.9 per cent, in view of shorter working hours.

Coal mining, metallurgy and construction material production diminished as desired. Chemical production decreased by 4.8 per cent because of problems with Soviet oil supplies.

Czechoslovak products fail being capable of competition on world markets. The efficiency of the Czechoslovak production is low, too, the worst difficulties being registered in the sphere of fuels and power industry, engineering and food industry. The overall losses reached 1,300 million crowns in coal mining in the first 5 months of 1990.

The average wage of industrial workers was 3,356 crowns in the nationalized production, i.e. by 2.2 per cent more than in the same period of 1989. However, the labour productivity was by 0.9 per cent lower.

In building industry, the volume of construction work diminished by 5.7 per cent in the first half of this year, in comparison with the same period of 1989. This tendency was even more pronounced in the second quarter of 1990, especially after capital construction was limited. Labour productivity decreased by 1.7 per cent and the average wage increased by 3.1 per cent reaching 3,431 crowns a month.

According to estimates, the crops should reach 10.8 million tonnes by July this year, i.e. 0.1 million tonnes less than last year.

In livestock production, the timetable of purchasing of animal products is being observed. The purchasing value has been overfulfilled excepting calves for meat and milk.

One of the causes of the unbalanced economy and its inflationary tendencies is the great variety of half-finished capital construction projects.

The 150,500 million crowns destined for the development of the processing industry are insufficient for modernizing this production. 9,900 million crowns went for agricultural production and 10,300 million crowns for housing construction.

The foreign trade turnover went down by 5.9 per cent in the first half of 1990, in view of the reduction by 15.3 per cent of the turnover with the CMEA [CEMA] countries and other states of socialist orientation, while the turnover with advanced and developing countries increased by 6.1 per cent.

The Czechoslovak foreign debt was 116,000 million crowns in convertible currency (i.e. about 7,000 million dollars) by the end of June 1990, plus 11,900 million crowns in other currencies (i.e. 700 million dollars). Compared with the situation in January 1 this year, the Czechoslovak foreign debt in convertible currency went up by 2,900 million crowns and by 800 million crowns in other currencies.

Vincenc Appointed Chief Army Main Administration

AU1408092590 Prague HOSPODARSKE NOVINY in Czech 10 Aug 90 p 8

[CTK report from the "Chronicles" column]

[Text] Yesterday, upon the orders of Vaclav Havel, CSFR president and chief commander of the Armed Forces, Lieutenant General Josef Vincenc, deputy minister of defense, was introduced by Miroslav Vacek, defense minister, to his new position as chief commander of the Main Administration of Ground Forces.

Czech, Moravian Party Founds Green Platform

AU1308094090 Prague RUDE PRAVO in Czech 8 Aug 90 p 2

["(ZA)"-signed report: "A Green Platform Has Been Established"]

[Text] Prague—The current course of action being taken to form a new ideological platform for the Communist Party of Bohemia and Moravia [KSCM] is not thorough enough and does not fully cover all the areas which should be contained in the policy of a modern left-wing party. This alarms us. Driven by our joint responsibility for the further development of the party and society, we are establishing a Green Platform within the KSCM.

We suggest that the KSCM set up a fund for environmental protection since its previous policy bears a considerable share of the responsibility for the critical environmental situation in our country. We want to enter into constructive cooperation with the other ecological initiatives.

We think it is impossible to resolve the current ecological crisis by administrative or economic measures alone. It is necessary to radically change social thinking in the direction of Marx's theory on the humanization of nature and the naturalization of man. We inevitably associate the political line oriented toward the ecologization of society and nature conservation with the endeavor for the spiritual and moral renewal of man and society, for social justice, and for autonomy.

We consider ourselves to be an ecological movement inside and outside the KSCM which is attempting to perceive the resolution of ecological issues as an element in the complex of mutually interlinked problems of spiritual, social, and ecological renewal; none of these problems can be dealt with in isolation. We are, first and foremost, an open idea stream and we want to stay this way in the future.

Contact address: KSCM City Committee, Information Center, Krenova 67, 600 00 Brno. Tel. 67 37 06.

GERMAN UNIFICATION

Notice to Readers: *In order to provide information concerning German unification in one location for the benefit of our readers, material on that topic from the FRG, GDR, and other media is now being published in the German Unification Attachment to the West Europe DAILY REPORT. The next issue of the attachment will be published 15 August 1990.*

Four GDR Citizens Reach Jordan From Iraq

LD1408082890 East Berlin ADN International Service in German 0757 GMT 14 Aug 90

[Text] Amman/Berlin (ADN)—Another group of four GDR citizens from Iraq arrived in Jordan yesterday. According to the Foreign Ministry in Berlin yesterday, GDR citizens still in Kuwait and Iraq are in good health.

Professional Training for Soviet Soldiers Planned

AU1308174990 East Berlin DER MORGEN in German 10 Aug 90 p 1

[Unattributed report: "GDR Will Train Soviet Soldiers in the Future"]

[Text] Dresden—Soviet Army members in the GDR are to be enabled to start careers as engineers. The future training institution will be the Dresden Technical University. Its employees want to train 5,000 garrison members by 1994.

Stasi Said To Have 'Liquidated' GDR Escapees

LD1208141390 Hamburg DPA in German 1302 GMT 12 Aug 90

[Text] Munich (DPA)—According to a report in the magazine BUNTE, the former GDR Ministry for State Security liquidated prominent escapees from the GDR in the West during the 1980's. The magazine says it bases the report in its latest edition on information from West German secret service circles, and cites two cases.

Among the opponents of the regime killed were GDR international soccer player Lutz Eigendorf, and Michael Gartenschlaeger, whose freedom was bought by the FRG Government, according to BUNTE. BUNTE says the orders are reputed to have come directly from GDR Minister Erich Mielke.

Eigendorf, who played for Bundesliga teams in Kaiserslautern and Brunswick, died in a traffic accident in Brunswick on 5 March 1983. The magazine reports that Mielke's special unit is said to have anaesthetised the sportsman in the car with a poison.

According to BUNTE, Mielke had the former political prisoner Gartenschlaeger lured into an ambush on the border with the GDR and shot by Stasi marksmen. Gartenschlaeger had demolished an automatic firing device on the border fence.

According to BUNTE, Mielke also ordered the murder of Werner Weinhold, a People's Army soldier, who shot two GDR border guards during his escape in 1975. The deserter was to have been thrown off a mountain during a holiday in the Austrian Alps. However, the order was not carried out because of political considerations. The magazine reports that the attacks in the West are said to have been carried out using poisons, prepared cigarettes, the sabotage of cars, and as disguised suicides.

The report was prereleased to DPA in an edited version.

Eppelmann Dedicates Memorial to Wall Victims

LD1308162390 East Berlin ADN International Service in German 1443 GMT 13 Aug 90

[Excerpt] Berlin (ADN)—Those politically responsible for giving the order to fire, and for the border regime must "finally be called to account in a fair way." This was stressed by GDR Disarmament and Defense Minister Rainer Eppelmann (Democratic Awakening) in Berlin on 13 August at a dedication ceremony of a memorial plaque for the victims of the Berlin Wall. Eppelmann described the memorial, which is in the one-time border strip in the Bernauer Strasse and on which a broken machine pistol is mounted, as a symbol of the mastering of fear and hopelessness. On the occasion of the 29th anniversary of the construction of the wall, he recalled the over 200 people who died on the intra-German border, including border soldiers.

Eppelmann promised that the inner-city wall in Berlin will have disappeared by the start of December and not by the end of the year as planned. He has already issued the relevant orders. Soldiers of the NVA [National People's Army] and of the former border troops, who helped build the wall, will join in tearing down the "prison structure," Eppelmann said. Only a few pieces of the wall should be retained as a warning.

Speaking to representatives of the press, Minister Eppelmann came out "against damning all the men who had stood along the border." [passage omitted]

Diestel Discusses MFS Ties With RAF, IRA

AU1408081290 East Berlin HORIZONT in German No. 22/90 (signed to press on 6 Aug) p 11

[Report on interview with Interior Minister Peter-Michael Diestel by Ulrike Schultz; place and date not given: "Minister Diestel: Security Precautions Extremely Increased"]

[Text] In its second letter claiming responsibility for the attack on FRG State Secretary Neusel, the Red Army Faction [RAF] threatened an offensive "against the new pan-German European world power" and a fight against the "new elite of the GDR." This prompted HORIZONT to ask Interior Minister Dr. Peter-Michael Diestel the following questions:

[Schultz] Do you also fear terrorist attacks now on politicians of this country?

[Diestel] Your question deals with my greatest concrete concern of the past few days. Up until now, I had hoped that the RAF and other terrorist circles would regard the GDR as an old-age home. Now we have to proceed on the assumption that this is not the case. The attack on State Secretary Neusel shows those of us who bear political responsiblity in this country and in a future united Germany that we have to face increasing dangers to our lives.

[Schultz] What are the consequences of this discovery?

[Diestel] As the interior minister, I am also responsible for the organziation of the security of the prime minister, our country's head of state, my colleagues in the cabinet, and other leading representatives. I must tell you that the fact that we now have to deal with bodyguards—we call them protectors of persons—with armored cars, and construction measures for houses and apartments is a deep intrusion in the private lives of these people, and in my personal life. However, because of the RAF letter claiming responsibility for the attack on Neusel, which was sent to the FRG Interior Ministry and has been presented to me, we can be certain that there is a new dangerous situation. The fact that State Secretary Neusel, a man who ranks lower in the hierarchy than the FRG chancellor or the interior minister, was made the target is possibly due to the special security measures that are taken for the latter. This also induced me, as the GDR interior minister, to greatly increase the protective measures for GDR politicians at once.

[Schultz] Meanwhile, the connections of the former Ministry for State Security [MfS] with RAF terrorists have been reliably proven. Were there also contacts with the IRA, for example?

[Diestel] I always try very hard to avoid this question because this subject is still under consideration. I can only tell you: There were informal contacts with the IRA and other terrorist organizations operating in the West. If I say informal contacts, I must also give you the explanation that was conveyed to us by the previously responsible people. It is: The GDR was to be eliminated as a target area for terrorist attacks. In my opinion, this explanation is at least questionable, but it was probably the reason why no terrorist attack was committed in the GDR. Concerning the contacts with Irish terrorists, I believe that we will come to exact findings in the next few weeks.

[Schultz] There are rumors that the Soviet Army stationed in the GDR sold weapons to terrorists.

[Diestel] First, I have to clearly state that the Soviet Army does not sell weapons. The Army! Individual army members might sell weapons that they have stolen somewhere—that is, with a criminal intent. We have knowledge of some events where FRG citizens or foreigners approached Soviet soldiers stationed in the GDR and wanted to buy in particular, Kalashnikov machine guns. Because of its rapid rate of fire and its superior performance, the Kalashnikov is much sought after by terrorist groups. However, I cooperate very closely with the Western Group of the Soviet Armed Forces and thus received some information on intended arms sales. A disquieting number of weapons were stolen or "lost" so that we will have to ensure a good exchange of information in the remaining years in which Soviet Armed Forces are stationed in the GDR. We will also have to see to it that their deployment is a fundamental part of our security system.

Labor Minister Appeals for Job-Creation Measures

LD1308172990 East Berlin ADN International Service in German 1554 GMT 13 Aug 90

[Excerpt] Hamburg (ADN)—Labor Minister Regine Hildebrandt (SPD) [Social Democratic Party] called for 5 billion marks to be given immediately for job-creation measures and infrastructure programs in the GDR. "We need these job-creation measures immediately and quickly," the minister told the newspaper BILD (Tuesday's edition) [14 August]. An immediate start can then be made to road building and the renewal of kindergartens, schools, and other public buildings. The remark made by GDR State Secretary Guenter Krause (CDU) [Christian Democratic Union] that the unemployment rate in the GDR is only 3.1 percent was rejected by Frau Hildebrandt as "rubbish." Those part-time workers, "whose working time is around zero," must be included in the calculations. That will mean that currently in the GDR "1.2 million people are without work—that is to say almost 10 percent"— and unemployment is climbing "rapidly," the minister stressed. [passage omitted]

East German Radios To Cease Broadcasting

LD1408085590 East Berlin Deutschlandsender Network in German 0800 GMT 14 Aug 90

[Text] The end of Radio Aktuell, Berliner Rundfunk, and Deutschlandsender has been decided. Leipzig's Sachsenradio Manager Mueller today confirmed by telephone that this has been decided by the land managers in agreement with the general managers. Berliner Rundfunk will be the first to stop broadcasting to the whole country as of 1 October. The frequencies that will thus become free will then be available to the land broadcasting stations. The same applies to the frequencies of Radio Aktuell, which will stop broadcasting operations on 15 October. Deutschlandsender is also affected. Its frequencies form the basis for a future so-called framework program [mantelprogramm] into which, for instance, Sachsen 4 could be included.

Hungarians Expected To Leave Iraq This Week

LD1308171290 Budapest MTI in English 1532 GMT 13 Aug 90

[Text] Budapest, August 13 (MTI) - The Hungarians currently in Baghdad and Kuwait are expected to leave for Amman in the second half of the week. They are expected to continue to to Budapest by airplane, an official of the Foreign Ministry told MTI on Monday.

Mr Imre Nagy said efforts are now being made to receive the various permits necessary for the departure. The Hungarian side has asked for military escort for the convoy, although Iraq does not believe this to be necessary.

Of the 33 Hungarian citizens in Baghdad, only the women and children will return to Budapest, while most of the 159 Hungarians in Kuwait are expected to leave. The Foreign Ministry has leased two aircraft from Malev Hungarian Airlines to bring back the Hungarians.

Libya Begins Sending First Shipments of Oil

LD1308153690 Budapest MTI in English 1245 GMT 13 Aug 90

[Text] Budapest, August 13, 1990 (MTI-ECONEWS)—The first consignment of Libyan oil to come through the Adria pipeline since 1982 is to arrive at the Hungarian border on Monday or Tuesday.

The 80,000 tonnes of Brega light was racked off at Krk island, off Yugoslavia, over the weekend.

Reacting to reports of decreasing Soviet oil deliveries, the Hungarian FTO [foreign trade organization] Mineralimpex ordered nearly 280,000 tonnes of crude back in July through agents offering Algerian and Libyan oil.

Officials at the Hungarian National Oil and Gas Corporation (OKGT), the Hungarian customer, were unwilling to disclose information on the price of the consignments, but they did say that the cost equals the stock exchange price valid within a certain period of the date of loading in ships: for the first consignment, certain observers outside the OKGT are putting this at one-and-a- half weeks or two.

Altogether, three shiploads are involved, the first of which has already arrived. The second has also been loaded, and the third is awiting loading.

Supplementary purchases are justified by hiccoughs in Soviet oil deliveries this year.

At the start of the year, Hungary bought 210,000 tonnes of Iraqi crude for 30 million USD. No Iraqi oil is currently available because of the UN Security Council embargo the Hungarian Government has joined.

The Soviet Union promised 6.48 million tonnes of oil for this year, but delivered only 2.8 million tonnes in the first half rather than the 3.24 million it would have had to in order to meet fifty per cent of delivery obligations by the end of the six months.

In the third quarter, Soviet deliveries are to fall to 1.134 million tonnes instead of the quarterly quantity of 1.62 million tonnes.

Quoting Soviet promises, OKGT officials said that there will perhaps be no Soviet arrears in the fourth quarter, and the Soviets may even deliver more oil in the final quarter to make up for the earlier deliveries.

Should there be a repeat of the 30-per-cent or so fall in Soviet deliveries in the fourth quarter, the second half of the year will bring a drop of nearly 1 million tonnes in Soviet oil deliveries to Hungary.

OKGT experts say that though Hungary's oil reserves are sufficient to last only 10-15 days, there is no suggestion of replacing the entire quantity from other sources.

They believe the fall-back in Hungary's industrial production of about 10 per cent a year, the mild winter of 1989-90, and a change in people's attitudes towards energy saving following the price rises, will all contribute to Hungary's saving a lot of energy.

Should Hungary be obliged to buy the entire 1 million tonnes of oil on the free market, then going on the current price of 25 USD/barrel, this would mean an extra expenditure of something like 190 million USD.

National Bank Official Queried on Foreign Debt

AU1108173490 Budapest MAGYAR HIRLAP in Hungarian 6 Aug 90 p 6

[Report on interview with Frigyes Harshegyi, deputy chairman of the Hungarian National Bank, by Emilia Papp; place and date not given: "A Five to Ten Percent Difference Is Acceptable.... The Reserves Have Deteriorated"]

[Excerpts] Today's data on our debt are not real either. This transpired from last week's MAGYAR HIRLAP article on settling the account of the Bos-Nagymaros investment project. We asked Frigyes Harshegyi about the consequences of the withdrawal of foreign currency accounts worth $800 million.

[Papp] Taking only the figures, it seems that Hungary's gross debts decreased compared with last year's figures, because our debts stood at $20.3 billion at that time, compared with $19.758 billion at the end of May 1990. Is our situation so good?

[Harshegyi] I would rather say that our debts have stabilized. The reduction can be explained by the fact that foreign banks withdrew funds from their short-term accounts between January and June 1990, and thus our reserves have somewhat decreased, as did our debts. At the same time, there is a $200 million surplus in our current balance of payments, and this surplus has also reduced our debts. Foreign investments are not included

in our country's overall debts; we have separate data on these investments, at least those which are registered. These data are still insufficient because there is no need for an investment license if the foreign share does not exceed 50 percent of the venture. Thus, we do not have exact data on the size of these investments. At the end of May, we computed this at $335 million. Together with this, the figure at the end of May stood at $20.093 billion, including $19.7 billion debts and $300 million foreign investments. [passage omitted]

[Papp] You also mentioned the fact that the withdrawal of short-term accounts greatly reduced Hungary's hard currency reserves.

[Harshegyi] Yes. Our current reserves of 1.016 billion [currency not specified] can only cover the imports of one to two months, instead of the usual three months.

[Papp] The IMF also stipulated that we should increase our reserves, and the EEC will also start providing some parts of its $1 billion loan if Hungary's reserves increase at the same rate. However, we have already spent these loans. How will we improve our reserves?

[Harshegyi] Our net reserves are not much worse than at the end of last year precisely because of the decrease in our debts, but we still have to strengthen our reserves with an additional $100-200 million to satisfy the EEC demands. [passage omitted]

Slovak Premier Criticizes Antall Comment

LD1108160290 Budapest Domestic Service in Hungarian 1000 GMT 11 Aug 90

[Text] The Slovak head of government has leveled sharp criticisms at the Hungarian premier. Evelin Forro reports from Prague:

[Begin Forro recording] The Slovak head of government has decisively rejected a statement made earlier by Jozsef Antall that he wishes to be the prime minister of 15 million Magyars. Vladimir Meciar was speaking at the general assembly of the Matice Slovenska organization at Turoczszentmarton, or Martin, as it is called here. He was of the view that coexistence in a European home has of late been disturbed by many false voices coming out of Hungary.

I quote the words of the Slovak head of government: I would never have dared to declare that I am the prime minister of all the world's Slovaks, because they all belong to a state of their own. For this reason I decisively reject the Hungarian prime minister's statement that he considers himself to be the head of government of 15 million Magyars. Those who live in this territory have their own government, in Prague and in Bratislava, and not in Budapest. The Trianon Treaty is being question-marked, and to this my response is: Our borders are inviolable and we guarantee their protection; their reexamination is not possible. End quote.

Further, the Slovak head of government once again raised the point that the Hungarian press had interfered in the election campaign here, and he went on to say that the Slovaks are adherents of cooperation, but they reject nationalism, the bringing into question of European realities. This is not the way of dialogue, Meciar said. Finally, he stated that within one year they will resolve the nationality problem. [end recording]

Spokesman Responds

LD1308192190 Budapest MTI in English 1821 GMT 13 Aug 90

[Text] Budapest, August 13 (MTI)—The Hungarian Government spokesman's office forwarded a communique to the Hungarian news agency, regarding the remarks made by Slovak Prime Minister Vladimir Meciar in his speech in Turocszentmarton (Martin), at the general assembly of the Slovak organizationa Matica Slovenska on August 10.

In the speech, Mr Meciar sharply criticized an earlier remark made by Hungarian Prime Minister Jozsef Antall, according to which he considers himself the prime minister of 15 million Hungarians.

Mr Meciar noted Budapest queries Trianon, and said: Those who live here have their own government in Prague and Bratislava, and not in Budapest.

In this context, the government spokesman's office states: The Slovak prime minister erroneously quoted the remarks made by Jozsef Antall. The Hungarian prime minister said, at the 3rd national rally of the Hungarian Democratic Forum on June 2, the following:

"In the legal sense, on the basis of Hungarian constitutional law, I wish to be the prime minister of all Hungarian citizens, of this country with a population of ten million, while in spirit, in feeling, I wish to be the prime minister of 15 million Hungarians."

In the same speech, Mr Antall also said the following:

"... We condem the Trianon peace treaty from the historical aspect. We are aware that we, as signatories of the Helsinki Final Act, have accepted the obligation to renounce forceful changes of borders. But this also means that our conduct gives us, who have lost so much, the moral strength to require what was included in the Trianon peace treaty, that is guaranteeing the rights of the national minorities. That is, for this guarantee to be included at the end of the 20th century in the most modern conception of human rights, the interpretation of groups of peoples, and that everyone—national minorities, ethnic groups, religious groups—both within and outside our borders enjoy the rights and possibilities that are due them."

The words of the Hungarian prime minister make it unanimous that Mr Antall clearly committed himself to settling the situation of the national minorities on the basis on the international agreements in force. The

intentional distortion, or interpretation in a misunderstandable manner of his remarks does not serve the genuine interests of either nation.

Official on Continuing Soviet Troop Withdrawal

LD1308174290 Budapest MTI in English 1609 GMT 13 Aug 90

[Text] Budapest, August 13 (MTI)—By Monday morning, a total 457 Soviet military trains left the area of Hungary, said Lieutenant-Colonel Laszlo Tikos, head of the Ministry of Defence press department.

According to the time-table, a total 530 trains will have to leave the country by the end of August.

Lieutenant-Colonel Tikos also said 39 passenger and 41 container trains have also crossed the Hungarian-Soviet border, taking soldiers, family members and personal property back to the Soviet Union.

USSR Border Traffic Restrictions Protested

LD1008150490 Budapest Domestic Service in Hungarian 1400 GMT 10 Aug 90

[Text] Hungary is protesting the fact that the Soviet Union, citing local supply problems, has unilaterally restricted small border traffic.

Following border commissioners' discussions, the head of the Hungarian delegation said that the Soviet decision, in practice, represents a backward step vis-a-vis the intergovernmental agreement of five years ago. Thus, the easier border crossing possibilities can only be taken advantage of by the inhabitants of 62 localities, although they, too, may do so only in special circumstances on presentation of a letter or telegram. Deputy Border Guard Commander (Andras Madai) said that henceforth only the Tiszabecs and Barabas border crossings can be used for small border traffic, and those who have traveled to the Soviet Union from the border zone in recent days will have to return by next Friday [17 August].

Government Denies Compiling Privatization List

LD1308174890 Budapest MTI in English 1704 GMT 13 Aug 90

[Text] Budapest, August 13 (MTI)—The Hungarian Government has not compiled a list of companies to be privatized, was the unanimous answer given to MTI in the Ministry of Finance, the National Bank of Hungary and the Ministry of Industry.

This statement was made in contrast to reports that the Multilateral Investment Guarantee Agency (MIGA), a World Bank affiliate in Washington, announced through various news agencies (AFP, DPA/VWD), that it had drawn up a list of companies to be privatized in Hungary with foreign capital involvement.

The two news agencies reported that MIGA and the Ministry of Finance would organize a conference for foreign investors in Budapest in September, for them to get acquainted with the leaders of companies destined for sale.

The conference will be held, and senior experts of some 30-40 companies—food exporting companies, wine producers, and electronic firms—will attend. The companies are interested in setting up joint ventures with foreign investors; however, there is no talk of these companies figuring on any sort of government list.

At present, the government has prepared only one list, containing the names of the seven firms against which wind-up proceedings are to be launched by the Inland Revenue Service or the Social Security Directorate. Experts are now working to put together a criteria system regarding the ways of privatizing firms with various degrees of profitability.

Under the government conception, the various units of state retail trade and services would be privatized in the first step. Well operating industrial companies, and financial institutes are planned to undergo privatization through the stock exchange. Spontaneous privatization will also continue.

MSZMP News Conference on Political Situation

LD1308160190 Budapest MTI in English 1347 GMT 13 Aug 90

[Text] Budapest, August 13 (MTI)—According to politicians of the Hungarian Socialist Workers' Party [MSZMP], the land concept of the Smallholders' Party was only an electoral trick, the realization of which carries a number of dangers. Were the government to carry it out, it would commit far graver injustices than the law violations of the past 40 years, it was stated at the press conference of the Hungarian Socialist Workers' Party in Budapest on Monday.

According to the party's preliminary estimates, in the first half of 1991 the government will have to import meat if it wants to keep supply at an adequate level.

HSWP [MSZMP] President Gyula Thurmer stressed his party did not agree with the changes of leaders in recent weeks, holding it even unlawful. In their opinion, purges running contrary to democratic principles were carried out in the Ministry of Defence, the Ministry of the Interior, the Ministry of Culture and Education and the Office of National Security. They would collect all related documents and, if needs be, they would turn to the constitutional court and contact international human rights organizations.

In connection with the local government elections, the HSWP president pointed out they would be able to set up hopeful candidates almost in every district.

Peto, Kis Address SZDSZ News Conference

LD1008132690 Budapest MTI in English 1156 GMT 10 Aug 90

[Text] Budapest, August 10 (MTI)—The programme points included in the agreement concluded between the Alliance of Free Democrats [SZDSZ] and the Hungarian Democratic Forum (HDF) [MDF] in April have been realized. These have come up to expectations and have made the creation and operation of democratic institutions possible, said Ivan Peto, executive of the largest opposition party, at the SZDSZ press conference in Budapest on Friday.

Regarding the activity of the SZDSZ's parliamentary group, it has not been regulated by only this agreement in the past, it will oppose the parties of the government coalition in all issues in which the SZDSZ doubts the correct nature of the step.

The most significant differences existing between the governing parties and the SZDSZ were summarized by President Janos Kis. The SZDSZ does not agree with several measures of the government coalition with which it wishes to restore situations recalling the period before 1945. An example was that the ruling parties would have liked to re-create the structure characteristic of those times, when setting up local governments. Another example was the contribution heard in parliament in defence of the Horthy army prior to 1945. (The opposition distanced itself from the remarks by the MP and asked the prime minister to take similar position. Prime Minister Jozsef Antall also turned the words of the HDF-member general to be an 'unfortunate remark'.)

The SZDSZ also does not accept the centralization efforts of the ruling parties, which recall the situation prior to 1985, Kis said. Thus, the means of privatization when the government will be able to decide on its own, through the state assets handling agency that it placed under its own supervision, about who should possess the former state property. The party also does not agree with the way personnel changes are realized in leading economic posts. According to the SZDSZ, the government hands out these leading posts in accordance with its interests.

The SZDSZ holds it unacceptable to set up armed bodies and militias by parties.

In an answer to a question, Kis said a condition of Hungary's peace and calm is for it to live in peace with its neighbours. With the disintegration of the Warsaw Treaty, Hungary is surrounded by the successor states of Trianon. It is irresponsible to talk about border revisions, as this harms the entire Hungarian nation. Kis added that writer Istvan Csurka, a prominent HDF politician, recently gave a statement on this subject. Politicians with extreme views can be found throughout the world, the question is whether they are on the periphery of political life or in a central place of home politics, SZDSZ President Janos Kis said.

It was reported that, apart from the capital, the SZDSZ has 750 organizations in the country, and a membership of more than 30,000.

Government Assesses Impact of Sanctions on Iraq

LD1308215190 Warsaw PAP in English 2117 GMT 13 Aug 90

[Text] Warsaw, Aug. 13—Poland's participation in international economic sanctions against Iraq was the main topic of a meeting of the Council of Ministers held under the chairmanship of Vice-Premier Jan Janowski today.

In connection with the Resolution No. 661 of the U.N. Security Council of August 6, the Council of Ministers adopted an ordinance on a temporary ban on commodity turnover with Iraq and Kuwait. The ban is imposed on the imports to Poland of any goods or products manufactured or coming from Iraq or Kuwait and on the exports from Poland of any goods or products manufactured or coming from Poland to these states. This ban is not imposed only on goods and products destined for medical purposes and foodstuffs supplied for humanitarian reasons.

The government ordinance is effective as of August 7.

The Council of Ministers acquainted itself with the anticipated economic consequences resulting from Poland's joining the sanctions against Iraq introduced by the Security Council. It is estimated that stopping imports of Iraqi oil, received as repayment of debt owed to Poland, would cost the budget over 1 trillin zlotys. Polish enterprises engaged in exports contracts with Iraq will suffer loss of some 1 trillion zlotys.

The government adopted amendments to the law on research-development units.

The draft amendments to the law on road traffic, in force since 1984, are aimed at improving road traffic safety. There is a proposal to introduce obligatory safety-belts within cities.

The Council of Ministers resolved the principles of remuneration for notaries running their own offices. It also adopted the new statutes of the Ministry of Health and Social Welfare.

Diplomatic Contacts Established With NATO

LD1008125990 Warsaw PAP in English 1042 GMT 10 Aug 90

[Text] Warsaw, Aug. 10—Answering proposals of the North Atlantic Council made at a meeting in London July 5-6, the Polish Government and the NATO Headquarters established regular diplomatic contacts.

On Poland's part, Polish Ambassador in Brussels Tadeusz Olechowski was authorized to maintain these contacts, says a communique that PAP received from the Foreign Ministry today.

Implications of Jaruzelski's U.S. Visit Viewed

AU1308192390 Warsaw TRYBUNA in Polish 9 Aug 90 p 1

[Tomasz Szymanski article: "One Hundred Words"]

[Text] In the first half of October 1990, Wojciech Jaruzelski is scheduled to visit the United States at the invitation of George Bush. The invitation was repeated this July, at a time when the Center Accord was strongly pressing Jaruzelski to step down from the Presidency.

I may be wrong, but I think that nothing in politics—especially the politics of a great superpower—happens without cause. Washington knows full well what the alliance led by the Kaczynski brothers really wants to achieve, and whom it is ready to support in the elections. These elections, according to the Center Accord, ought to take place early this fall, should Jaruzelski step down in August.

Washington has thus sent an important signal—namely, it does not want a destabilization of Poland. It considers a calm transition through the period of its most difficult reforms more important for Poland than a rapid change at presidential level. It is a pragmatic and coldly calculated position. A stable Poland is worth more than an uncertain Poland, even with Lech Walesa at its helm.

Accepting the invitation, Wojciech Jaruzelski has also indicated that he takes the mission of guiding Poland through this period very seriously.

Political Leaders Discuss Presidential Candidates

AU1308175090 Warsaw RZECZPOSPOLITA in Polish 10 Aug 90 pp 1, 2

[Tomasz Roguski report: "The Road to the Belvedere"]

[Text] Various political groups have nominated their own candidates for president in the last few days. This means that the presidential campaign has started, despite all its formal shortcomings. The candidacies of Lech Walesa and Tadeusz Mazowiecki—among others—have been published.

The Campaign Is On

"The presidential campaign is indeed on," said Wlodzimierz Lozinski, Wojciech Jaruzelski's spokesman. "But, for the time being, any statements on this subject are purely for the sake of publicity, and possess no legal or constitutional significance, because the parliamentary debate that defines the president's scope and responsibilities has still not taken place. Such a debate is meant to take place in September. As head of state, the president cannot speak out on the subject of other candidates for this post. Nor can he alter his standpoint under the influence of propaganda. Wojciech Jaruzelski has already expressed his stance on Poland's most important problems in a letter to Sejm speaker Mikolaj Kozakiewicz. These problems are: The shaping of political parties, the continuation of the socioeconomic reforms,

the adoption of a new constitution, and the holding of new presidential and parliamentary elections on the basis of this constitution."

I Support Mazowiecki

Henryk Wozniakowski, deputy government spokesman, told me the prime minister has not formed any opinion about the presidential campaign. Wozniakowski also did not say whether the Alliance for Democracy had already held talks with Mazowiecki about his candidacy. However, speaking as a member of the Forum of the Democratic Right, and not as government deputy spokesman, Wozniakowski confirmed a statement made by Jerzy Turowicz. Asked why the Forum would support Mazowiecki, Wozniakowski replied: "Tadeusz Mazowiecki is a responsible, determined, and capable politician. At the same time, he values stabilization and is in favor of the evolutionary nature of the changes in Poland. We appreciate his successes in international politics—for example, Poland's participation in the two-plus-four talks on German unification. He enjoys great popularity, even though his government's policies are hard for society to accept. He also possesses greater international recognition that any other Polish politician. Apart from all that, he is a politician of nationwide caliber. Even though there are groups that are eager to become his political base, Mazowiecki is trying to preserve—and is preserving—his immunity to party divisions. These qualities make him a suitable candidate for president."

We Prefer Walesa

Jaroslaw Kaczynski, leader of the Center Accord, said: "With all due respect to the prime minster, we do not think he is the ideal candidate for president, chiefly because he is not a politician capable of pushing Poland firmly forward. He is very cautious, preferring slow and limited action, as he himself says. To protect the country against destabilization and a collapse of the economic and social reforms, what is needed today is acceleration. Tadeusz Mazowiecki is not someone capable of implementing this."

Kaczynski said that Walesa, in his 9 August statement, is firmly in favor of acceleration. "A change in the head of state is essential in order to emerge from the political backwater in which Poland has found itself," said Kaczynski. "We have expressed our approval of the constitutional amendment that calls for a general presidential election. If this amendment is not accepted, then the new president should be elected by the National Assembly according to the rules in force until now."

Lech Has Made a Mistake

Asked who he sees as the next president, Wladyslaw Frasyniuk said Tadeusz Mazowiecki. But he also said Foreign Minister Skubiszewski can also run for president because of the recognition he has earned at home and abroad while serving as foreign minister. "Lech Walesa has made a mistake by commencing the presidential campaign too early," said Frasyniuk. "If he had remained in his capacity as a person 'safeguarding' the process of political changes and simply waited for an earlier presidential election to come about, he would not have had any competition."

Nothing Has Been Pre-Decided

"Jerzy Turowicz's statement does not prejudge the issue," said Jan Maria Rokita, member of the Citizens Movement "Democratic Action" and participant in the Alliance for Democracy meeting. "The 7 August meeting in Krakow did not decide on any joint candidate for president. I also know nothing about whether or not the prime minister has decided to run. In any case, various possible names for the next president were mentioned during the meeting—Mazowiecki, Walesa, Skubiszewski, Brzezinski, and even Turowicz. However, there is no doubt that Prime Minister Mazowiecki is the person with the broadest social support right now. But the question of whom the Alliance for Democracy will support in the presidential election is still open, and will be a subject of another meeting this month," Rokita concluded.

Frasyniuk Discusses 'Alliance' for Democracy

AU1308185890 Warsaw RZECZPOSPOLITA in Polish 9 Aug 90 p 1

[Interview with Wladyslaw Frasyniuk, national leader for the Citizens Movement "Democratic Action," by Robert Szkutnik and Piotr Jasion; place and date not given: "Who Is More Left Wing?"]

[Text] [RZECZPOSPOLITA] is the Alliance for Democracy a new party, or is it just an election platform?

[Frasyniuk] It is supposed to be a deal between various political groups which are trying to reach a compromise. No formal alliance was established at the meeting in Krakow; instead, a genuinely noninstitutional alliance was formed.

[RZECZPOSPOLITA] In the country's present social and political situation, is it possible that a consolidation of the greatest social forces in Poland may occur? In other words, a merger between the left-wing force—as the Citizens Movement "Democratic Action" [ROAD] is considered to be—and the Center Accord?

[Frasyniuk] I would be careful about using the labels left wing and right wing. In fact, I would advise against using these labels at all, for we ought to distinguish the left wing from the right wing by their programs. If we take a look at the programs, we might see that the Center Accord is more left wing than ROAD. I think all responsible groups in Poland will seek contacts with each other, and reach joint solutions. The difference that currently separates ROAD from the Center Accord is their approach toward the presidential election. However, this difference does not rule out the possibility of cooperation in other economic affairs; for example, social policy, or even the Constitution.

[RZECZPOSPOLITA] In the present difficult economic situation, do you see any possibility of altering the economic program?

[Frasyniuk] It is clear that the situation in Poland is evolving and that the changes are dynamic, despite what people think. The problem is that Poland is poor and any discussion on the status of the economy may end with yet another disaffected milieu saying that the government has no economic program. The government has no money to restructure the great monuments to socialism in Poland. In Krakow we discussed economic problems. Our opinions in this matter differ.

[RZECZPOSPOLITA] Did you also discuss government policy?

[Frasyniuk] We discussed the weak points, rather than the strong points of this policy, which is providing ammunition to the opponents of the Mazowiecki Government.

[RZECZPOSPOLITA] What are the weak points?

[Frasyniuk] There are many of them. The government is an enforced situation, but has no resources. That is often the reason for the criticism. It is said that the government has no policy; that is partly the result of a lack of information that would show people the government's work and its troubles. People are not told about the complexity of the decisions the government has to make. Taking money from one group in order to give it to another—something the government is often compelled to do—is a reason for dissatisfaction.

[RZECZPOSPOLITA] What do you think is the future of the Mazowiecki government?

[Frasyniuk] This government arose as a result of the "roundtable" deal; therefore, it will probably cease to function when democratic elections to the parliament are held, a new president is elected, and the prime minister forms a cabinet in relationship to the balance of forces in parliament.

[RZECZPOSPOLITA] What is it that joins you to the government?

[Frasyniuk] The philosophy by which Mazowiecki exercises authority. He suggests difficult matters which compel society to be energetic and assume responsibility for the country. The changes will only become more rapid if society mobilizes itself and recognizes these transformations as its own property.

[RZECZPOSPOLITA] So one can say that the prime minister enjoys your support?

[Frasyniuk] Definitely, even though some of his actions are too weak and are being misinterpreted as a result.

'Freedom Party' Says Economic Reform 'Failed'

LD0908221390 Warsaw PAP in English 2006 GMT 9 Aug 90

[Text] Cracow, Aug. 9—Leader of the emerging Freedom Party Kornel Morawiecki told a meeting here today that the present dispute between Solidarity leader Lech Walesa and Prime Minister Tadeusz Mazowiecki is nothing but a continuation of concealing the actual political situation in Poland.

"The Balcerowicz plan of economic reforms has failed," he said, and it is now carried on at the expense of the people. The government which led to wasting of its tremendous potential of social confidnece should go, he addedd.

In his presidential campaign Morawiecki hopes for the suport from people who did not go to the polls on June 4, 1989, and to the recent elections for the local self-governments. He said economic invigoration should be sought by way of "giving money to people."

Advocating privatisation he opined that the state should return industrial plants to society. "It is necessary to stop repaying foreign debts as they are not our but the communist dictatorship's debts," he proposed in conclusion.

Mid-Year Economic Performance Results Published

AU1008132390 Warsaw RZECZPOSPOLITA (Polish Statistics Supplement) in Polish 30 Jul 90 pp 1-3

[Communique issued by the Main Statistical Office; place and date not given: "Country's Socioeconomic Situation in the First Half of 1990"]

[Text] The socioeconomic situation in Poland in the first half of 1990 was influenced by momentous changes to the economic system, designed to set in order the market principles of economic functioning. A universal equilibrium occurred in the economy at the beginning of the year. This caused a fall in demand, the result of considerable increases in the official prices of energy sources, higher foreign currency exchange rates, higher interest rates, and reduced wage increases and budget spending. The zloty was made convertible in Poland only, with an exchange rate that remained stable throughout the half-year period. Hyperinflation was stopped. At the same time, there was a fall in output, real incomes, and consumption. The percentage of low-income households increased. The level of investments fell. Unemployment grew markedly. The situation at the end of June 1990 shows that the economy is continuing to adapt to the new situation.

Incomes exceeded central budget spending throughout the period. The budgets of most voivodships were tight.

The population's financial resources and those of enterprises rose more slowly than prices, whereby these resources began to increase steadily in March. Bank debts incurred by economic units and individuals increased to a lesser extent than prices.

The fall in the purchasing power of the zloty caused a fall in demand and changes to consumer habits. More money was spent on food and compulsory purchases, and less on durable goods and luxuries. The consumption of many food commodities fell.

A major fall in material production occurred at the beginning of the year. The reduced level of output continued throughout the six-month period, with slight fluctuations. The greatest fall in output occurred in those branches of industry that have the closest links with the domestic market. Construction fell less than industrial output.

While profitability increased, the financial situation of enterprises was widely divergent. Many enterprises found it difficult to pay for current activity, and fell into arrears with payments.

The demand for agricultural production resources was low. The unfavorable price relations for the production of beef and milk continued. However, pig breeding clearly became more profitable which, with a surplus of animal feed stocked by farmers, caused an increase in the pig population in the second half of the year. Generally, soil and weather conditions favored the cultivation of basic plants. However, the fruit and basic vegetable crop is expected to be less than last year on account of frost.

In foreign trade, exports to the second area of payments increased markedly. At the same time, imports fell steadily, the level of which was adapted to current needs and the supply situation on the domestic market. The percentage of trade with the second area of payments out of total trade increased. A very high trade surplus was achieved.

The first half of 1990 had two working days less than the first half of 1989.

The Population

Poland's population at the end of June 1990 was 38.1 million, 155,000 or 0.4 percent more than at the end of June 1989. Some 61.6 percent of the population lived in cities. The percentage of people of working age out of the total population did not change, and amounted to approximately 57.6 percent. There were 105 women for every 100 men.

Some 119,000 weddings took place during the six-month period, 10,000 more than last year. There were about 18,000 divorces, 2,000 less than last year.

Some 283,000 children were born, about 4,000 less than last year. The number of deaths was the same as last year—194,000. As a result, the natural growth amounted to 89,000, compared to 92,000 last year, and was at its lowest level since the war.

For every 1,000 Poles, there were 6.2 marriages (5.8 last year), 14.9 births (15.2 last year), and 10.2 deaths (10.3 last year).

Infant mortality continued to fall. Some 4,300 children aged less than one year died. There were 15.3 infant deaths for every 1,000 live births, 0.6 less than last year.

Financial Resources and Credits

The nominal financial resources of individuals and enterprises grew during the six-month period. The convertible currency resources of enterprises fell, mainly as a result of the abolition of their foreign currency accounts and the increased need for zlotys. Following a profound drop in the purchasing power of money in January and February, this purchasing power picked up again in the following months, but at the end of June it was still much lower than it was at the end of December.

According to the Polish National Bank [NBP], financial resources were as follows:

Item	Figures in trillions of zlotys [Z]		
	30 Jun 90	31 Dec 89 equals 100	31 Mar 90 equals 100
Total money	135.9	141.9	120.4
Zlotys	78.9	299.5	143.1
cash in private homes	26	263.6	137.7
cash in enterprises	1.8	183.4	137.6
in all bank accounts	52.9	321.1	145.9
private savings accounts	22.4	259.9	135.8
enterprise accounts	30.5	388.3	154.4
foreign currency in all bank accounts	57	82.1	99
private accounts	50.4	107.7	105.2
enterprise accounts	6.6	29.2	67.4

At the end of May, the population held 5,905,000 foreign currency bank accounts, with a total of $4.8 billion, $0.1 billion more than at the end of April and $0.4 billion more than at the end of December. At the end of June, enterprises held about $0.7 billion in bank accounts, about $1.7 billion less than at the end of December.

Following a considerable fall in the debts of enterprises and individuals in relation to their financial resources at the end of 1989, this relationship improved over the first half of the year, though more slowly than the increase in prices. Debts and their relationship to financial resources on 30 June were as follows:

	Total	Increase up to 31 Dec 89	percentage in relation to financial resources
General	69.4	38.7	51
State sector	64.1	35.4	162.7
Private sector	5.3	3.3	5.4

Enterprise Finances

The volume of production and services fell last year, but sales accumulation increased because the prices of goods and services rose more quickly than production costs, and also because of high profits brought on by increases in foreign currency exchange rates. The percentage of accumulated capital out of sales receipts amounted to 26.5 percent, 7.8 points higher than last year. A reduction of tax concessions and subsidies meant that a greater proportion of the accumulation of enterprises consisted of budget funds. While profitability improved in general, the economic situation of enterprises became more divergent.

In connection with the reduction in services to enterprises and financial exemptions, the percentage taken up by income tax in the financial accounts of enterprises increased from 30.7 percent last year to 38.7 percent this year.

The net profitability indicator rose from 24.8 percent last year to 33.4 percent this year, but was lower than it was at the end of April 1990 (36 percent). The situation of various industrial branches was very divergent. Negative profitability occurred in the coal industry, and this negative profitability deteriorated in all branches of light industry, in domestic trade, and in agricultural services. The profitability in the construction, precision engineering, and transport industry was similar to last year's.

The increase in stocks in enterprises, in terms of current prices, was lower than the increase in prices of commodities. This was the combined result of high interest rates on credits and a serious drop in supplies. It caused a faster increase in stocks of ready goods among producers, and a simultaneous decrease in stocks of goods in retail outlets. As a result, the range of goods stocked by enterprises changed. The percentage of ready goods rose from 8.3 percent at the end of 1989 to 13.9 percent at the end of May 1990, whereas that of raw commodities fell from 39.1 percent to 27.9 percent. At the same time, the percentage of unfinished goods rose from 11.4 percent to 15.6 percent.

The Population's Income

According to NBP data, the population's income in the state sector during the first half of this year was as follows:

Item	Billions of zlotys	First half of 1989 equals 100	Second half of 1989 equals 100
Total incomes	134.5	821.5	264.1
Wages	53.8	767.5	265.9
Social benefits	25.1	1074.3	—
Compensation, interest, other remittances	7.6	753.4	443.3
Loans granted	2.5	835.6	281.1
Incomes from sales of agricultural produce	10.4	604.8	143
Incomes in the nonagricultural private sector	17.8	768.6	267.4
Other incomes	13.2	1027.6	327.7

The population's income grew more slowly than prices, which caused purchasing power to decline. In light of the changes in the rate of price growth, as well as significant variations in the level of payments over time (payments out of profits, income adjustment and compensatory payments) the purchasing power of the population's income fluctuated in a variety of ways for each individual month of the first half of this year and was as follows:

Previous month equals 100	Total Income	1990 Wages	1990 Social Benefits
January	76.9	70	61.5
February	83.5	89.7	98.9
March	114.5	113.3	148.7
April	93.4	107.8	62.9
May	96.2	85.5	96.7
June	104.5	95.6	131.5
December 1990 equals 100 June	69.8	63.3	72.9

Average monthly wages (including payments out of profits) for the five branches of the state sector were as follows:

	1990					
	Jun	Jan-Jun	Jun		Jan-Jun	
	thousands of zlotys		Jun 1989 equals 100	May 1990 equals 100	Jan-Jun 1990 equals 100	Jul-Dec 1989 equals 100
Overall (basic branches)	893.1	839	735	100.9	828.1	249.8
Industry	948.1	914.5	724.9	98.9	843.9	251.7
—Mining	1329.4	1254.1	698.5	100.5	768.5	218.9
—Manufacturing	883.8	857.6	730.1	98.5	862.5	261
Construction	866.5	780.6	695.1	100.1	736.4	254.9
Transportation	850.2	795.5	846	98.6	856.7	268.3
Communications	755.1	693.5	993	112.5	929.4	264.6
Trade	762.8	662.1	707.6	114.4	794.8	248.5

The average monthly wage, excluding payments out of profits, for the five basic branches during the first half of 1990 was Z726,200 and was 124.1 percent higher in relation to the second half of 1989 and 718 percent higher in relation to the first half of last year.

The population's income derived from social benefits increased by 188.9 percent compared to the second half of 1989. Old-age and disability pensions accounted for 75.8 percent of total social benefits; in the second half of last year they accounted for 67.8 percent; and in the first half of last year for 77 percent. The number of persons drawing employee old-age and disability pensions was 1.3 percent higher than in December of last year, and farmers old-age and disability pensions were 6.7 percent higher.

The increase in average old-age and disability pensions during the first half of the year was primarily to the quarterly income adjustment reviews conducted in March and June and the increase in minimum benefits. In addition, in January payments were increased by Z120,000—that is, the amount of the income adjustment review for the fourth quarter of 1989. The payments for June include adjustments for April and May.

The average monthly old-age pension and disability pension payment was as follows:

Specification		June 1990		Jan-Jun 1990	
	thousand zlotys	Jun 1989 equals 100a	May 1990 equals 100	thousand zlotys	Jan-Jun 1989 equals 100b
					1030.3
Total	597.7	836.0	147.3	453.8	984.9
					1015.5
Worker, Veteran and derivative	617.5	839.3	146.5	469.3	972.2
					1018.0
Retirement pensions	694.0	—	144.4	527.1	979.4
					1018.6
Disability pensions	563.7	—	148.2	429.3	971.1
					1010.5
Family pensions	558.2	—	149.3	423.3	962.8
					1122.5
Private farmers	524.2	830.9	151.2	394.8	1065.7

a- In 1989 information on retirement pensions and other pensions was collected for each quarter period.

b- In the denominator, after subtracting the adjustment for the fourth quarter of 1989 that was paid in January 1990.

The increase in the average old-age and disability pension in the second quarter of 1990, compared with the first quarter (after eliminating the adjusting payment for the fourth quarter of 1989), was 18.4 percent.

The ratio of the average monthly working pension, derivative and veteran pensions to the average monthly remuneration in the five basic areas of socialized economy in the first quarter of 1990, was 53.6 percent (after deducting the adjustments for the fourth quarter of 1989), compared with 45.6 percent, and in the cases of just old-age pension 60.4 percent.

Household Budgets

The average monthly nominal income of households divided into the basic socioeconomic groups calculated on the basis of one person's income for the period of first to the fourth quarter, were the following:

Households	thousand zlotys	first-fourth 1989=100
Worker	426.8	859
Worker-Peasant	385.5	847
Peasant	346.9	903
Pensioners	367.6	1024

Compared to a similar period last year, proportionally, the largest increase in income was noted in the pensioners households. The revaluation of pension payments was the chief cause of this increase. When comparing the levels of household wealth related to the period in question, one has to remember that because of the seasonal nature of agricultural production, agricultural households have the relatively lowest incomes in the first quarter of each year and the highest in the second half of the year.

There have been rather significant shifts in the income structure according to income source. The percentage of welfare payments for the period Jan-Apr 1990 in the income of workers families was 14.3 percent; for worker-peasant families it was 17.2 percent; for peasant families it was 14.7 percent; and for old-age and other pensioners it was 86.4 percent. Compared with the same period last year, this proportion rose by three to six points.

The structure of households according to the level of monthly income (in thousands of zlotys) for one person in the first quarter of 1990 was as follows:

Income groups	Households	
	Worker	Pensioners
Together (thousand zlotys)	100.0	100.0
200 and less	11.3	9.7
200 to 300	21.1	24.3
300 to 400	25.0	35.1
400 to 500	18.5	18.4
500 to 600	10.3	6.6
600 to 700	6.1	3.2
700 to 800	3.4	1.1
800 and above	4.3	1.6

It is estimated that the percentage of people whose income in April 1990 did not exceed 400,000 zlotys (this

sum is considered as the minimum income required that will cover basic requirement expenditure) was 42 percent in worker families and 54 percent in pensioner households. The payment delays in paying adjustment payments are causing large discrepancies in these figures. If we were to allow for the adjustment payments for old-age and disability pensions for the second quarter of 1990 (actually paid in June 1990) in the figures for April 1990 incomes, then the percentage of persons with low incomes in pensioner households would have dropped to around 45 percent.

It is estimated that the real incomes of the basic household groups, calculated on the basis of one person in the first to fourth quarter 1990, were as follows (monthly in thousand zlotys):

Item	Family Households			
	Worker	Worker-Peasant	Peasant	Pensioner
In total	361.7	345.0	385.2	337.6
on food	186.5	173.7	199.6	204.8
Expenditure for the period Jan-Apr 1989 equals 100				
In total	876	939	945	977
on food	1203	1278	1330	1270
Proportion of food expenditure in total expenditure (percentage)				
Jan-Apr 1990	51.6	50.3	51.8	60.7
Jan-Apr 1989	37.5	37.0	36.8	46.7

The proportion of food expenditure in the successive months of the first quarter of 1990 declined and only increased in April mainly because of the Easter period. In worker families this proportion was: January—56.6 percent; February—50.8 percent; March—48.0 percent; and in April 52.2 percent.

This substantial increase in expenditure on food in the general expenditure of households was made possible by cutting down spending on clothes, footwear, sport, tourism, cultural events, and education. The proportion of expenditure on clothes and footwear for the period Jan-Apr 1990, compared with the same period last year, fell from 20 percent to 11 percent in workers families; 19 percent to 11 percent in worker-peasant families; 16 percent to nine percent; and 15 percent to eight percent in pensioner households. The proportion of expenditure on the leisure-culture sector fell from nine percent to seven percent in worker families; five percent to four percent in worker-peasant families; six percent to four percent in peasant families; and six percent to four percent in pensioner households.

Expenditure connected with the maintenance of the dwelling amounted to some five percent of the general expenditure in worker families and some eight percent in pensioner families.

Families who had below 200,000 zlotys income per family member in the first quarter of 1990, found themselves in a particularly difficult financial situation. Essential expenditures (food, lodging, heating, electricity and gas) accounted for 71 percent of all expenditure of workers families who had such low incomes, and 79 percent in pensioner families.

A fall in consumption (in terms of quantity) occurred with most food commodities. The consumption of sugar, fish, cereals, and rice fell the least. In workers and pensioners households, the consumption of dairy produce (cheese and cream) also fell the least. Consumption of animal fats and potatoes increased. Average monthly consumption of basic food commodities per person in the first quarter of 1990 was as follows:

Item	Type of household							
	Worker		Worker-Peasant		Peasant		Pensioner	
	kg	1989 equals 100	kg	1989 equals 100	kg	1989 equals 100	kg	1989 equals 100
Flour	1.10	94	2.23	105	2.59	104	1.86	92
Baked goods	6.92	101	8.01	98	8.40	97	8.21	99
Pasta	0.13	87	0.07	70	0.07	64	0.19	83
Cereals	0.28	70	0.45	70	0.49	67	0.64	68
Potatoes	4.70	109	9.68	104	10.78	107	6.88	110
Vegetables	3.27	97	4.30	100	4.96	104	4.63	97
Fruit	2.42	97	1.61	87	1.71	91	2.72	89
Meat	4.93	98	5.25	98	6.62	104	5.81	103
Fish	0.38	79	0.22	71	0.28	74	0.47	75
Fats	1.47	95	1.58	95	1.85	99	2.02	95
—butter	0.69	96	0.61	98	0.62	102	0.80	95
—animal fats	0.35	103	0.55	96	0.79	103	0.57	106
Milk (liters)	6.96	94	10.19	103	12.73	106	11.12	98

Item	Type of household							
	Worker		Worker-Peasant		Peasant		Pensioner	
	kg	1989 equals 100	kg	1989 equals 100	kg	1989 equals 100	kg	1989 equals 100
Cream	0.45	76	0.74	95	0.90	100	0.61	73
Cheese	0.77	78	0.88	91	0.92	96	1.09	77
Eggs (units)	15.99	92	20.85	98	24.51	103	21.30	93
Sugar	1.50	73	1.91	73	2.06	68	2.14	75

Social Services

State budget spending on social and cultural services from 1 January to 31 May 1990 was as follows:

Item	Billions of zlotys	Degree of law fulfillment
Total	19,447.7	52.4 percent
Education and upbringing	6,665.9	65.2 percent
Higher education	2,080	53.4 percent
Culture and art	1,063.5	34.8 percent
Health and social care	9,388.0	48.1 percent
Physical culture, sports, and tourism	330.3	54.7 percent

Some 48.7 percent of all children aged between three and six began to attend kindergartens in the 1989/90 school year. That is 1.4 percent less than last year. Due to the increase in the cost of kindergartens at the beginning of the year, about two percent of children registered in kindergartens ceased to attend them.

There were some 7,795,000 people attending post-kindergarten education. Of these, 5,243,000 attended elementary schools; 1,323,000 attended high schools; and 378,00 attended colleges. About 593,000 children finished elementary school, about 3.6 percent more than last year.

At the end of June there were 10.7 million licensed radio users and 9.6 million licensed television users, in both cases almost five percent less than last year. The number of moviegoers fell to about 28 million, from 39 million last year. In May, the average movie ticket cost Z1,854, almost seven times as high as in May 1989.

At the end of June there were 79,200 doctors and 18,000 dentists—848 doctors and 175 dentists more than at the end of June 1989. There were 20.0 doctors and 4.7 dentists for every 10,000 Poles, the same proportion as last year. There were 217,300 hospital beds, 173 more than last year, and 57 for every 10,000 Poles. There were 3,320 clinics, 10 more than at the end of July last year.

There were 3,400 fewer places in day nurseries than last year. At the end of June, there were 66,800 places in social care homes and psychiatric facilities. Some 40,000 of these places were in premises controlled by the Ministry of Labor and Social Policy. There were 17,500 such places for every 10,000 people.

The State Budget

In the first half of 1990, income into the budget exceeded spending due to the influx of income tax from enterprises, the effects of the banking system, and the withholding of some of the expenditures foreseen in the budget. Central budget income amounted to Z63.4 trillion, and expenditures amounted to Z56.6 trillion. In July, the central budget surplus amounted to Z6.8 trillion, compared to Z5.4 trillion at the end of April and Z7.3 trillion at the end of May. Between January and May, central budget income amounted to Z71.7 trillion, and expenditures Z64.5 trillion. Incomes exceeded expenditures by Z7.2 trillion.

Incomes and expenditures to and from the central budget between January and May were as follows:

Item	Trillions of zlotys	Percentage of budget	Percentage of budget implemented
Incomes	52.2	100	32.8
incl. from state enterprises	43	82.2	36.2
incl. income tax	22.5	43	52.1
turnover tax	12.3	23.6	26.1
dividends	3.6	6.8	27.9
customs duties	1.7	3.2	47.3
from insurance	8.6	16.4	59.9
Expenditures	45	100	28.2
incl. current expenses	16.9	37.6	31.1
subsidies for factories	10	22.2	41.3
social insurance	7.1	15.7	31.7
payments to foreign debt service fund	2.9	6.4	41

The high income tax influx can be attributed to the extra income tax collected last year, following financial reviews—about Z5.5 trillion. This figure was brought about by the major increase in prices and currency exchange rates in the final months of 1989.

Incomes and expenditures to and from regional budgets between January and May were as follows:

Item	Billions of zlotys	Percentage of budget	Percentage of budget implemented
Incomes	22,118.5	100	35.8
incl.from state sector	14,943.8	67.6	30.9
from private sector	2190	9.9	26.3
taxes and fees from population	860.9	3.9	34.4
subsidies from central budget	2564.5	11.6	1124.9
Expenditures	22,142.1	100	35.8
incl. for social and cultural purposes	12,573	56.8	66
subsidies for state enterprises	4,464.6	20.2	50.1
subsidies for investments	4,100.7	18.5	55.3

The Z23.6 billion deficit of regional budgets was covered by bank credits and last year's budget surplus.

The situation with regional budgets is very diversified. Thirty voivodships had a deficit ranging from Z1.2 billion in Czestochowa to Z172.8 billion in Olsztyn. The remaining voivodships had a surplus. The greatest surpluses were in Katowice (Z733.9 billion), Warsaw (Z174.6 billion), and Krakow (Z123.5 billion). The smallest surpluses were in Leszno (Z3.3 billion) and Lublin (Z3.4 billion).

The difficult situation of the regional budgets was caused by a low money supply from their main source; in other words, income tax (the result of a relatively low increase in wages) and taxes from the private sector. The improvement to regional budgets in the latest months is the result of extra funds from the central budget.

The high spending on social and cultural purposes can be attributed to wage increases.

Prices, Interest Rates, Currency Exchange Rates

As of 1 January 1990, prices of basic energy materials have been raised by a factor of three to four. Currency rates, interest rates and credit repayments, and some associated duties have also been raised substantially. The list of goods whose prices are controlled by the state has been shortened. The reaction of economic units was to suddenly increase their prices and margins and cutback on purchases. The salary increase ceilings and high prices resulted in a rapid fall in demand for consumer products and the relative availability of goods contributed to slow down the price increases.

The high level of interest charged on the provision of finance set in January (38 to 46 percent monthly) was gradually lowered in following months. In June 1990, four percent was the interest rate charged for refinance credit; the basic interest rate was four to five percent; 36-month savings accounts received 4.2 percent; and basic deposit accounts, 1.3 percent. For the whole of the six-month period, the NBP kept the rate of the zloty to the U.S. dollar stable. The unofficial rate deviated from the official rate only very slightly (a maximum variation of 2.6 percent in April and 2.8 percent in May). In June 1990, for the first time the exchange rate fell by Z123 (compared to May), giving Z9,621 to the U.S. dollar. This caused the unofficial rate deviation to fall to 1.3 percent. The purchasing value of the U.S. dollar in June was only 68.5 percent of its January 1990 value, and 18.2 percent of its purchasing value a year ago.

The increase in prices in the first six months in the basic areas of the national economy were as follows:

Item	1990								
	1	2	3	4	5	6			1-6
	(previous month equals 100)						a	b	c
Production prices:									
- industry	209.8	109.5	99.8	102.1	100.5	101.4	238.5	1170.6	1315.2
- building	148.9	120.8	112.6	101.4	103.8	101.8	217.0	907.2	989.3
Transaction prices									:
- export	185.8	102.7	100.1	99.9	99.2	101.0	191.2	1055.2	1245.4
- import	210.2	103.2	104.5	102.9	99.1	99.6	230.3	1005.5	1182.7
Retail prices of consumer goods and services:	178.6	123.9	104.7	108.1	105.0	103.4	269.8	1151.2	1191.2
- food	179.0	118.1	100.0	112.4	105.4	101.8	253.6	1382.9	1498.8
- alcohol	141.0	126.8	101.5	103.2	100.9	102.2	195.2	1005.6	1078.9
- non-food	172.3	132.4	110.3	106.1	103.8	103.4	278.8	1008.8	1033.9
- services	249.0	116.6	104.6	106.1	110.5	108.5	374.3	1202.3	1127.2

(a = Dec 1989=100; b = Jun 1989=100; c = Jan-Jun 1989=100).

After a rapid rise of production costs in Jan-Feb 1990, the mean increase fell to 0.9 percent for the period Mar-Jun 1990. There were great variations depending on the sector. The most rapid rise occurred in energy fuels.

Compared to December 1989, June 1990 fuel prices had risen by 217.6 percent; by 272.8 percent in the energy-generating industry; and by 338.2 percent in the coal industry. Nonferrous metal and chemical industry prices registered above average increases. Due to the low demand, the smallest increases were in the light industrial product sector. Food industry products doubled in price (this is less than the average throughout the whole of the industrial sector), but it is notable that price increases in the food sector were the fastest in the period Jul-Dec 1989.

Costs in the building and construction industries increased at a slower rate than in industry generally, and due to the characteristics of this industry, the chronology of the price increases was different. In January 1990, costs of building and construction were lower than in the industrial sector, but for period Feb-Mar 1990, these stayed constant before falling slightly in the second quarter of 1990.

Average transaction prices in foreign trade increased at a slower rate in the period Jan-Jun 1990 than in other branches of the national economy. This was the result of stable currency exchange rates. Movements in transactional prices depended on the payment area. In dealings with the first payment area, the June 1990 prices were higher than in December 1989 (exports by 57.1 percent; imports by 84.5 percent). In the second payment area, the increases were 97.2 percent for exports, and 165.2 percent for imports.

Price indicators of retail goods and consumer services up to May 1990 have been calculated by reference to a system of weights and measures adopted in 1988. After receiving the data on the structure of sales for 1989, the Main Statistical Office recalculated these indicators. The change of system of weights and measures had a very insignificant effect on the levels of price indicators (in Jan 1990 this gave an increase of 1.0 points for the indicator; in the following months this gave falls of 0.1 points to 0.5 points; and over the whole five month period it gave a fall of 1.8 points).

Retail prices in the first half of 1990 rose faster than in the other branches of the national economy. From March 1990, the rate slowed down substantially, but still averaged out at 4.9 percent per month. In June 1990, retail prices were 168.9 percent higher compared to December 1989, and 16.3 percent higher compared to March 1990. The rate of price increases varied widely and in some instances were subject to some fluctuation (sugar, bread, and butter, among other things).

Among food products, the highest price hike compared to December 1989, was for bakery products and flour-mill products (an increase by a factor of 3.5-4); for tea (by a factor of 5); and home-grown fruit (by a factor of 4.5). The price of meat, and meat-derivative products increased by 164.0 percent; by 180 percent for fish and fish-derivative products; by 120 percent for dairy products; and 114 percent for sugar and confectionery products. Compared to a 140 percent increase in margarine price, butter only rose by 18 percent in price, while the price of melted animal fats rose by 83 percent.

The price of nonfood products rose faster than food products (which already rose very quickly in the second half of 1989) in the first half of 1990. The rates of price increases were all different. The price of coal, coal briquettes, and coke increased by a factor of 6.6; chemical products for domestic use by a factor of six; medical-pharmaceutical products by a factor of 5.5; other health related products by a factor of seven; domestic cleaning products and writing articles by a factor of five; paints and lacquers by a factor of almost five; electronic equipment and household ironmongery by a factor of four; and publications by a factor of 3.5. The increase in the price of clothing, cloth, shoes, electronic general purpose equipment, sports equipment, and transport was below the average.

The price of providing services in June 1990 was higher by 274 percent compared to December 1989. The increase in price of those services, which were previously highly subsidized, was particularly marked. For example, the price of housing services rose by a factor of 4.3; for working hotels by a factor of 12.7 percent; and sewerage and pipe drainage services by a factor of 5.8. Prices for central heating and warm water increased by a factor of five, and for energy and gas by a factor of 4.6. Railway and road communication ticket prices increased by a factor of seven. It was a similar story for radio and television licenses. Prices for holidays increased by a factor of four; youth holiday camps and camping holidays by a factor of eight; and obligatory insurance by a factor of 11. The cost of services provided by some tradesmen rose very steeply, for example, house redecorating and other related building conservation services rose by a factor of almost five.

Agriculture

During the first half of this year weather conditions were, in general, favorable for basic crop cultivation. However, severe frosts in April and May threatened vegetable and orchard production.

The average temperature during the first half of the year was eight to nine degrees centigrade and was about two to three degrees higher than the mean for a several year period. Total rainfall for the first half of the year for the greater part of the country exceeded 200 millimeters and was close to the average level. It only failed to reach 75 percent of the average level in the following voivodships: Jelenia Gora, Wroclaw, Bielsko, Kalisz, Lublin, and Chelmno.

The severe frosts that occurred around 10 April and 20 May caused serious damage to orchards, the cultivation of vegetables vulnerable to frosts, as well as to potato and tobacco crops.

Demand for fertilizers fell as a result of large price increases. Sales of artificial fertilizers during the economic year 1989-90 amounted to 2,449,000 tonnes and were 33.3 percent lower (and as much as 63.3 percent lower during the first half of 1990). Stocks of artificial fertilizers held by retail outlets amounted to 142,000 tonnes and were 55.8 percent lower than in June of last year.

Consumption of artificial fertilizers (nitrogen-phosphorous-potassium, NPK) during the last economic year amounted to 2,946,000 tonnes (that is 679,000 tonnes fewer than in 1989). Consumption of artificial fertilizers per hectare of farmland amounted to 159 kilograms and was 36 kilograms (18.6 percent) lower than one year ago. Of this amount, 132 kilograms came from current purchases and 27 kilograms came from a significant reduction in the stocks of farms.

For the 1990 harvest, agriculture has used about 99 million tonnes of manure, that is, about 5.3 tonnes (the equivalent of about 69 kilograms of NPK) per hectare of farmland, whereas in 1980 consumption amounted to 6.4 tonnes and was about 25 percent higher.

Demand for pesticides fell. Supplies (in active form) during the first half of the year amounted to 6,500 tonnes and were 53.9 percent lower than during the first half of last year.

It is estimated that the orchard fruit harvest will be between 40 and 50 percent lower and will amount to between 800,000-900,000 tonnes, and the berry harvest will yield between 370,000 and 420,000 tonnes, and will be 25 to 30 percent lower. Initial projections for the vegetable crop are in the order of 4,200,000 and 4,800,000 tonnes, that is, about 20 percent lower than a year ago.

The last few months have already seen indications of a decline in interest in livestock rearing. As a result of the large drop in demand for agricultural produce (especially animal products) and the relatively low increase in their prices, the situation has persisted during the first few months of this year. At the end of the first quarter, cattle and pig levels were about the same as a year ago. The second quarter saw continued difficulties in selling agricultural produce—especially of potatoes, milk, and to some extent of grain—and caused a change in the production attitudes of farmers, who sought to use up surpluses of these commodities by expanding pig rearing. The following were among the factors determining the development of livestock rearing:

—a marginal fall in the price of grain, in both procurement and free-market prices; in June farmers obtained Z69,300 for every 100 kilogrammes in procurement sales and Z69,500 on the free market, that is, 10.2 percent and 10.8 percent less than in January of last year;

—a substantial drop in the price of potatoes (especially in procurement prices during the second quarter of this year), whereas a seasonal increase in the price of potatoes is usually recorded during this period. Although free market prices of potatoes remained stable at about 35,000 for 100 kilogrammes during the first quarter of the year, they fell to Z24,000 for 100 kilograms during the second quarter;

—prices for livestock were unfavorable; procurement prices for pigs in relation to prices for beef cattle were between 1.8 and two; whereas before the food economy was deregulated, the ratio was 1.2; there was also an increase in the procurement price for pork in relation to the procurement price for milk (from about seven toward the end of last year to 10 in the first quarter of this year and to 15 in the second quarter);

—the increase in the free market price of piglets confirms that there is increased interest in their purchase;

—there was a drop in the number of sows covered of 23 percent in the first quarter and of about 20 percent in the second quarter, compared to the same periods last year;

—a systematic increase in free market prices of cows and young cattle. The average price paid for a cow in January was Z1.4 million, and the average June price was Z1.9 million—that is, an increase of 31 percent; the price of a heifer during the same period rose from Z0.8 million to Z1.1 million—that is, an increase of 35 percent.

The favorable situation for pig breeders was a disincentive for cattle rearing, which is confirmed by the June figures for the livestock population:

Item	Sector			Sector		
	Total	State	Private	Total	State	Private
	in millions			1989 equals 100		
Cattle	10.1	1.7	8.7	93.9	89.9	94.8
—Cows	4.9	0.5	4.4	98.6	91.5	99.6
—Other	5.2	1.2	4.0	89.8	89.1	90.0
Pigs	19.5	5.5	14.0	103.5	98.0	105.8
—Piglets (to 3 months)	6.8	1.7	5.1	103.7	100.3	104.8
—Shoats (3 to 6 months)	6.1	1.6	4.5	108.5	98.4	112.6

Item	Sector			Sector		
	Total	State	Private	Total	State	Private
	in millions			1989 equals 100		
—Gilts (for breeding 6 months and older)	1.8	0.4	1.4	102.1	99.2	103.2
(in farrow)	1.0	0.2	0.8	103.8	101.8	104.5
—Porkers, bacon pigs, others	4.8	1.8	3.0	97.9	95.4	99.5
—Sheep	4.3	1.4	2.9	97.1	95.7	97.8

The decline in the number of cattle was caused by a significant drop in the number of young cattle for rearing and slaughter, and the cow population fell to a lesser extent. A significant increase in the number of pigs occurred as a result of an increasing in the number of piglets and shoats as well as the basic sow stock.

Divergent trends in cattle and pig breeding are present throughout all of farming. On socialized farms the annual decline in cattle increased from eight percent in April to 10 percent in June and, in the private sector, following an increase of almost two percent, there was a drop of five percent. As for pig breeding, during the second quarter of this year, there was an improvement in the annual index for number in the state sector of two points and an increase of almost four points in the private sector.

Market supplies of butcher livestock (procurement plus free market sales, excluding the rural population's private supplies of meat) in the first half of the year amounted to about Z1,130,000 tonnes, 12-13 percent less than last year. The procurement of butcher livestock amounted to 890,000 tonnes, 23 percent less than last year. The procurement of pork was 32 percent less than last year, that of beef four percent less, and that of poultry 22 percent less. Free market sales of butcher livestock amounted to about 240,000 tonnes, about 83 percent more than last year.

Milk procurement in the first half of the year amounted to 4,990,000 liters, 11.7 percent less than last year. Milk procurement between January and April was nine to 11 percent less than during the same period last year. In May and June the fall in milk procurement increased.

In the 1989-90 economic year, potato procurement from the 1989 harvest amounted to 4,541,000 tonnes, 36 percent less than last year. This fall is purely the result of reduced procurement in the second quarter of 1990, when 455,00 tonnes were procured, 47 percent less than last year.

Procurement of basic grain from the 1989 harvest amounted to 4,953,000 tonnes, six percent more than from the 1988 harvest. The procurement constituted 18.6 percent of the grain harvest, compared with 19.3 percent last year.

The average cost of rye procurement in the second quarter was Z58,400 for 100 kg, 13.4 percent less than the average price in the first quarter.

Sales of protein feed during the 1989-90 economic year amounted to 3,090,000 tonnes, 39.1 percent less than in the previous economic year. The level of sales throughout this period fluctuated considerably. Sales in the first half of the year were 37 percent less than during the first half of the previous year, and sales during the second half of the year were 35 percent less than during the second half of the previous year.

The saltwater fish catch in the first half of the year was 30 percent of what it was last year. The catch from distant seas fell by about 30 percent, and the Baltic catch fell by 21.4 percent. The mackerel catch was 93.4 percent of last year's level, the cod catch was 38.4 percent of last year's level, and the sprat catch was 21.2 percent of last year's level.

Forestry

Timber procurement in state forests in the first half of the year amounted to about 10 million cubic meters, 16.1 percent less than last year. Some 62,000 hectares of forest, including 53,000 hectares of state forest, were renewed and afforested. This is 11.8 percent and 10.5 percent less than last year, respectively. In view of the diminished threat from pests, about 7,000 hectares were treated with pesticides, only 8.6 percent of the area treated last year.

On 10 April 1990, the Polesie National Park was created, with an area of 4,800 hectares, and the Drawno National Park, with an area of 8,700 hectares. In addition, the Bieszczady National Park was enlarged by another 10,100 hectares.

Industry

Because of the sudden restrictions in the availability of resources, industrial output fell profoundly in the first half of the year. In January 1990, the value of sold products, which had already fallen somewhat in the second quarter of 1989, amounted to 28 percent of its January 1989 level. The reduction in demand caused a fall in the production of raw and other materials.

The value of sold products in state and private industry in the first half of the year was about 28 percent less than last year—or 27 percent when one considers the still-unpaid bills that were issued in 1988. When one takes into account the increased stocks of ready goods in enterprises, one can say that the fall in manufactured production was about two points less than the fall in sold production, and amounted to 25 percent.

In the private sector, the number of active enterprises increased after a temporary lull in the beginning of the year. It is estimated that the value of sold products by this sector of industry rose by about two percent. The private sector's involvement in industrial sold production rose from 7 percent in the first half of 1989 to 8.5 percent in the first half of 1990.

In the first half of 1990, the value of sold production in state industry in current prices fell by 29.78 percent against the first half of 1989. Although the volume of sales fell, the profitability indicator of state enterprises rose from 24 percent for the period Jan-May 1989 to 35.5 percent this year. Although profitability improved in general, the situation in various branches of industry was very diversified.

In the first half of 1990, production fell in all branches of industry. Production in light industry was 42 percent of what it was in the first half of 1989, production in the food industry was 38.2 percent, production in the mineral industry was 31.8 percent, production in the wood and paper industry was 31.7 percent, production in the chemical industry was 28.2 percent, production in the electrical machine industry was 26 percent, production in the fuel and energy industry was 22.6 percent, and production in the metal industry was 21.3 percent of what it had been in the first half of 1989.

In the light industry, where sold production fell the most, production fell faster in the second quarter of 1990 than in the second quarter of 1989. At the same time, profitability between January and May 1990 fell compared to January-May 1989 by the following percentage in the following branches: Textile industry from 41.7 percent to 28.2 percent, clothing industry from 40.3 percent to 31.5 percent, and the leather industry from 37.2 percent to 16.8 percent. In the first half of the year, production fell faster in the textile industry, but slowed down in the clothing industry. Compared with the first half of 1989, production fell the most in the woolen, cotton, silk, knitwear, and footwear industries; and the least in the hosiery, technical fiber, and decorative fiber industries.

In the food industry, one notes that the fall in production has slowed down since March. The profitability indicator between January and May was 21.1 percent, compared with 17 percent at the same time in 1989. The profitability indicator in the food industry was influenced by the high profitability indicators of the liquor industry (75 percent), refrigeration industry (66.1 percent), and tobacco industry (45.3 percent). In the remaining branches, this indicator was considerably lower, especially in the dairy industry (minus 4.1 percent), poultry industry (7.8 percent), and fruit and vegetable industry (8.8 percent). The greatest fall in sold production compared to last year occurred in the dairy, meat, food concentrate, and oil industries, and the lowest such fall occurred in the tobacco and beer industries. Production in the refrigeration industry rose.

The rate of production in the electrical machine industry was divergent. There was a several-dozen percent fall in the production of electronic measuring apparatus, tractors, ships, and metals for industry. In remaining branches, the fall was much lower. However, production rose in the office equipment and calculating machine industry and air ventilation and air conditioning industries.

In the chemical industry, the greatest fall in production occurred in the paint industry, and the smallest in the plastic and nonorganic material industry.

The production of the most important goods in state industry in the first half of 1990 was as follows:

Item	Unit of measure	Absolute figure	Jan-Jun 89 equals 100
Meat and fats	thousands of tonnes	837	76.2
Butter	"	134	102.9
Edible vegetable fats	"	120	67.4
Cigarettes	billions	44.6	104.3
Chocolate	thousands of tonnes	26.3	105
Cotton fabrics	thousands of km	238	59.9
Woolen fabrics	"	33.4	65.3
Silk fabrics	"	44.7	68.4
Knitted goods	millions	89.8	60.6
Footwear	millions of pairs	51.3	66.1
Cars	thousands	129	83.2
Washing machines and dryers	"	250	62.9
incl. automatics	"	76.3	49.1
Refrigerators and freezers	"	305	111.7
Vacuum cleaners	"	461	86
Radio receivers	"	847	62.8
Record players	"	67.5	49.5
Stereo cassette recorders	"	85.1	92
Black-and-white TV's	"	234	79.8
Color TV's	"	133	97.2
Pharmaceutical goods	billions of zlotys	2,030	73.3
Detergents	thousands of tonnes	119	59.9
Furniture	billions of zlotys	1,914	72.1
Bituminous coal	millions of tonnes	77.1	82.9
Brown coal	"	33.9	93
Coke	"	7	81.7

Item	Unit of measure	Absolute figure	Jan-Jun 89 equals 100
Natural gas	cubic hectameters	2,022	71
Oil-derived goods	millions of tonnes	6	79.8
Engine fuels	thousands of tonnes	1,024	73.7
Engine oils	"	1,501	107.1
Electricity	thousands of kilowatt hours	68.3	93
Crude steel	millions of tonnes	7	88.6
Rolled-mill goods	"	4.9	82.5
Electrolytic copper	thousands of tonnes	16.5	81.6
Aluminium	"	22.8	96
Zinc	"	67	754.4
Digital lathes	units	317	136.6
Agricultural equipment	billions of zlotys	998	83.4
Automatic control equipment	"	455	98
Computer systems	"	634	81.3
Trucks	thousands	16.2	69.1
Farm tractors	"	16.1	60.9
Ships (above 100 DWT)	thousands of DWT	62.1	52.4
Electric machines	millions	5.5	81.5
Electrical elements	"	142	72.7
incl. integrated circuits	"	24.7	72.2
Batteries	thousands	914	70.6
Sulfur	thousands of tonnes	2356	96.8
Synthetic fertilizer	"	874	62.9
incl. nitrate	"	655	78.2
incl. phosphorous	"	186	38.6
Plastics	"	305	88.5
incl.polythene	"	79.3	108.1
incl.polypropylene	"	39.4	97.6
incl. PVC	"	104	117.2
Chemical fibers	"	75.6	63.2
Cement	millions of tonnes	6.1	69.9
Sawn timber	cubic decameters	1933	70.4
Chipboard	"	355	64.6
Paper	thousands of tonnes	448	73.7

Investments

Investments outlay in the national economy in the first half of 1990 was about Z43 trillion, about 10 percent less (in fixed prices) than during the same period last year.

Investment on building and refurbishing work was about 3 percent lower than a year ago, with work carried out by state building and refurbishing enterprises falling by 17 percent and work carried out by individuals and private firms increasing by 34 percent. Expenditure on the purchasing of machinery and equipment was 21 percent lower than a year ago as a result of the drop in purchases of goods produced domestically and in the first payments area. On the other hand, purchases of imports from the second payments area were up more than 10 percent.

There were changes in the technical structure of investments. Outlays on purchases of machinery and equipment accounted for 25 percent of expenditure; during the first half of last year they accounted for 30 percent, and for 34 percent two years ago.

During the first five months of this year, state sector units began to implement 3,679 investment projects (over 40 percent less than during the same period last year). Their projected cost was five times higher (whereas as prices generally increased 11-fold). During the first half of the year private investors received 65,700 construction permits, that is, about 30 percent fewer than a year ago.

These were among the facilities that were completed and became available for use during the first half of the year:

—a boiler (120 Gcal/h) at the Katowice Heating Plant;
—the modernized and refurbished refining process facility-1 (increased crude oil processing capacity of 300,000 thousand tonnes annually) at the Mazowsze Refinery and Petrochemical Plant at Plock;
—toilet paper manufacturing facility (in stage two—16,500 tonnes annually) at the Paper Factory in Krapkowice;
—a production line for the manufacture of tights (3.5 million pairs annually) at the Natural Silk Plant in Milanowka;
—powder form foodstuffs (3,500 thousand tonnes annually) at the Opole Food Concentrate Plant;
—a refrigeration facility for fruit and vegetables (2,000 tonnes annually) at the Truck Gardener-Beekeepers Cooperative in Kozienice.

Construction

Lower investment resulted in reduced demand for construction work and services. Despite the relatively good supply of building materials and fairly stable prices during the second quarter, construction enterprises carried out work on fewer buildings than a year ago.

During the first half of this year, work was suspended on 1,341 construction sites, of which 869 were sites on which work was being carried out by specialist construction and production-service enterprises. Work was, above all, suspended on local construction projects—water supply systems, sewage systems, heating plants, sewage treatment plants, and local roads. The number of construction sites on which work was being carried out was 3,100 lower than in the first half of last year. At the end of June of this year work was being carried out on 18,300 sites, that is, 3,500 fewer than a year ago.

During the first half of this year, construction and refurbishing work was 16.8 percent lower than in the same period last year. In the private construction sector, output dropped by 6.3 percent and by 20.3 percent in the state sector. Private construction sector work accounted for 26 percent of the value of total construction and refurbishing work (a year ago it accounted for 22.8 percent).

The decline in basic work by state construction and refurbishing enterprises for each individual month of the first half of this year was subject to significant fluctuations from month to month (from 17.2 percent in April of this year to 23.6 percent in January of this year) In general construction, which produces housing and public buildings, the drop in basic output was lower than in other construction branches and was 9.1 percent for the six months. Specialist production levels fell by 34.2 percent and production- service construction fell by 18.7 percent.

Sold output of state construction and refurbishing enterprises was 13.5 percent lower, with the share of construction and refurbishing work falling from 84.5 percent in the first half of last year to 76.8 percent in the first half of this year.

While output fell, the profitability of state construction and refurbishing was somewhat higher than a year ago, which was mainly due to an increase in prices. During the period January through May the profitability index was 33.9 percent (compared to 32.8 percent a year ago). The profitability of general and specialist construction enterprises rose, whereas the profitability of production and service construction enterprises was about the same as last year.

Construction Housing and Public Buildings

Housing construction results during the first half of this year were lower than a year ago and were as follows:

	Apartments		Usable Space	
Item	thousands	Jan-Jun equals 100	thousands of square meters	Jan-Jun equals 100
Total	51.6	86.6	3,936.7	91
State sector	34.6	81.4	2,044.1	81.8
—cooperative	27.7	91.9	1,633.7	91.5
single family	0.3	43.4	35	43
workplace	5.7	54.4	338.1	55.8
municipal	1.2	63.5	72.3	67.5
Private sector	17	99.7	1,892.6	103.5

The private sector's share of the total number of apartments completed and made available for use rose from 28.7 percent in the first half of last year to 33 percent in the first half of this year.

During the first half of this year, the state sector started work on the construction of 33,600 thousand apartments (32.6 percent fewer than a year ago). The private sector was issued with 36,000 permits for the construction of housing (about 30.6 percent fewer).

At the end of June 508,800 apartments were being constructed, of which 177,900 were being built by the state sector (0.9 percent more than in the same period last year), and 330,900 were being built by the private sector (2.1 percent more).

The average estimated price (at current prices) per square meter of usable space in blocks providing housing for more than one family was Z1,117,200 in June and was three times higher than in January, or about 10 times higher than a year ago. The average price per square meter in buildings on which construction work began in June was Z1,825,200.

The following were among the buildings completed and made available for use in the first half of this year:

—two hospitals providing 531 hospital beds (compared to two hospitals providing 140 beds a year ago);
—29 surgeries and health centers with 296 consultation rooms (compared to 32 facilities with 238 consultation rooms in the first six months of last year);
—37 kindergartens providing 4,460 places (compared to 28 kindergartens providing 2,305 places during the first half of last year);
—67 schools with 377 classrooms (compared to 50 schools with 274 class rooms a year ago).

Work began on the construction of a smaller number of social facilities than during the first half of last year.

Transport

As a result of the considerable fall in industrial output—the halt in many investments, and the considerable reduction in trade orders—there was a major fall in the demand for transport services. This also applied to private transport.

It is estimated that over 14 percent fewer shipments, in terms of fixed prices, were made in the first half of 1990 than in the first half of 1989. The use of state transport services was about 15 percent lower, and the use of private transport services six percent lower. Some 6.2 percent of shipments were carried out by private transport enterprises.

Shipments by state transport amounted to 298.7 million tonnes, 43.7 percent less than last year, whereby shipments of all types of goods fell. A reduction in shipments occurred in all types of transport except air, where it rose by 11 percent.

Some 143.3 million tonnes of goods were shipped by rail, 29.3 percent less than last year. Rail shipments of all types of goods fell. The fall in the transport requirements caused a considerable increase in the number of unused wagons at any one time, which increased in an average 24-hour period from 17.5 percent of all wagons last year to 37.5 percent this year. The profitability of rail transport rose as a result of higher charges.

Some 120.2 million tonnes of goods were shipped by public and specialized road transport enterprises, 58 percent less than last year. Shipments by public transport fell by 60 percent, and shipments by specialized transport fell by 58 percent. The large reduction in shipments for the needs of the construction and construction materials industries was the chief factor responsible for the general decrease in shipments. Utilization of road vehicles for shipments fell from 59 percent last year to 40 percent this year.

Some 14.2 million tonnes of goods were shipped by sea, 1.6 percent less than last year. Shipments by the Polish merchant fleet between foreign ports rose, but Polish foreign trade shipments fell. The Polish merchant fleet was augmented with two brand-new Polish vessels with a joint capacity of 25,600 deadweight tonnes, whereas four vessels, each of them over 20 years old, were disposed of. Three of them were sold to foreign customers. As a result, at the end of June 1990 the Polish merchant fleet had 247 vessels with a total capacity of 4,053,000 deadweight tonnes, 0.2 percent less than at the end of 1989.

Some 19.8 million tonnes of goods were handled at Polish ports, 19 percent less than last year. The fall in shipments concerned all types of goods and affected all ports. Passenger movements by all forms of transport were 10.9 percent less than last year. Movements by rail were 11.9 percent less, movements by road 10.4 percent less, and movements by air 25.7 percent less.

Communications

Sales of communications services in terms of fixed prices were 6.8 percent higher than last year.

Some 62,400 new telephone subscribers were connected to the public telephone network, 8.7 percent less than last year.. Of these, 29,500 were connected in the first quarter, and 32,900 in the second quarter. A reduction in the increase in subscribers occurred in cities and in rural areas. At the end of June there were 3,183,700 telephone subscribers altogether, two percent more than at the end of 1989. Of these, 365,300 subscribers lived in rural areas, 3.2 percent more than at the end of 1990. A direct-dial link with Gibraltar and Cyprus was established during the first half of 1990, so that right now it is possible to dial direct to every single European country except Albania, Ireland, Iceland, Malta, and Romania.

The number of telex users increased by 980 during the first half of the year, to reach a figure of 36,900 at the end of June. The number of telefax users rose by 1,100 during the same period, reaching a total of 3,400 at the end of June.

Quantitative and Structural Changes to Economic Units

There was a major increase in the number of units conducting economic activity, especially private ones. Parallel to this increase was a shut-down of some plants, mainly in the handicrafts sphere. Periodic stoppages of economic activity were also noted. Most of the new economic units were trade outlets. The number of new trade outlets was five times greater than the number of economic units that were shut down. In the handicrafts sphere, the total number of enterprises which were shut down or whose activity was suspended was 50 percent greater than the number of newly opened enterprises.

In the first half of the year, the number of taxable enterprises which commenced, terminated, or suspended their activity was as follows:

Item	Jun in thousands	Jan-Jun in thousands	31 Dec 89 equals 100
Total	A. 39.8	168.1	20.6
	B. 11.6	64.3	7.9
	C. —	80.7	—
Handicrafts	A. 9.1	50.7	11.2
	B. 5.7	35.2	7.8
	C. —	42.9	—
Trade	A. 24.5	89	124
	B. 2.6	10.9	15.2
	C. —	8.6	—
Services	A. 6.2	28.4	9.8
	B. 3.3	29.3	—

A = Enterprises which commenced their activity B = Enterprises which terminated their activity C = Enterprises which suspended their activity

The privatization of trade continued. Trade enterprises handed over about 10,000 shops into private hands, about eight percent of the national network of shops. In Warsaw Voivodship this accounted for about eight percent of all shops, in Katowice Voivodship about 27 percent, in Lodz Voivodship about 21 percent, in Krakow Voivodship about 15 percent, in Zielona Gora Voivodship about 12 percent, and in Walbrzych Voivodship about four percent.

Some 9,700 new private companies emerged, most of them involved in trade. Forty two companies were closed down. At the end of June there were 21,500

private companies, including 5,100 in industry, 4,200 in construction, 4,400 in trade, and 2,600 in the non-production sphere.

The number of joint ventures almost doubled from 436 to 895 at the end of June. Most of them were involved in material production, and of these, 480 were involved in industry. There were 66 joint ventures outside the production sphere.

The number of new state economic units was far lower than the number of new private units. Some 991 new units appeared in the category that includes state enterprises, operative, and other units with no legal personality. The greatest number of new units appeared in trade, industry, construction,and the housing economy. Some 243 units were closed down. At the end of June there were 29,900 units.

State, cooperative, and coal enterprises founded 492 companies, most of them in trade, industry, and the non-production sphere. There were some 4,500 state economic units at the end of June.

The Labor Market

The total number of employed people in the first half of the year, except in private farming, was 513,000 or 3.8 percent less than during the same period last year. Unemployment, never known in such an open form before, appeared. The fall in employment in the state sector, by 760,000 people or 6.2 percent, was accompanied by an increase in employment in the private sector, by 247,000 people or 18.6 percent. The percentage of workers in private industry out of all workers, omitting those in private farming, rose from 9.8 percent in June 1989 to 12.1 percent in June 1990.

The growth rate in employment in the private sector was clearly lower than last year. In the second half of 1989, the number of employees in the state sector rose by 15 percent against the first half of 1989, whereas the increase this year was only three percent.

Because of seasonal stoppages and the temporary suspension of activity by some plants, the number of people employed in handicrafts (which constitutes 60 percent of the private sector) fell by about five percent during the first half of the year.

In the state sector, employment in the five basic spheres of industry began to fall more rapidly. In the first half of the year, the average monthly fall in employment amounted to 1.29 percent, whereas in 1989 it was 0.67 percent and in 1988 0.2 percent. All spheres suffered a fall in production except communications.

Average employment, labor productivity, and its remuneration in industry and the building sector in a comparative time of work were as follows:

Item	Jun 1990	Jan-Jun 1990
Employment in five sectors		
(last year equals 100):	90.1	91.3
—industry	92.3	93.3
—construction	83.7	84.9
Labor output (fixed prices, last year equals 100):		
—industry	77.7	75.3
—construction	97.5	93.8
Payment of the increase in labor productivity (current prices):		
—industry	0.77	0.83
—construction	0.84	0.83

At the end of the first half of 1990, the number of registered unemployed was 568,200. This was 4.2 percent of all employed not counting private agriculture at the end of 1989. Some 42 percent of this number are people who have not worked more than three months before registration. Of this number, a significant number are women who never worked before; and just above 10 percent are people who lost their job as a result of mass dissmissals.

The highest levels of unemployment were registered in those voivodships that are poorly developed economically, for example, the Suwalki, Lomza, Ciechanow, and Konin voivodships. In industrial-urban conglomerations such as Warsaw, Katowice, Opole, and Krakow, the unemployment indicator was the lowest.

In the majority of cases, the people who are seeking work have no professional qualifications. People who are qualified in mechanical, building, agricultural and economics fields are also finding great difficulties finding employment.

From the end of May to the end of June 1990 the number of registered unemployed rose by 125,000. The rate of increase was greater than it had been during past months and can be attributed to the largest number of mass redundancies (15,800) seen since the beginning of 1990 and the increase in registrations of this year's school and college leavers.

The numbers of unemployed exceeded the number of job vacancies on offer in all voivodships, with the exception of Warsaw, where the number of unemployed was roughly the same as job offers (above 10,000).

Some 83,700 people were found work in the first half of 1990. Some 1,123,000 welfare payments amounting to Z 182.4 billion were paid out. The Labor Fund financed special work for 43,000 people, professional training for 2,000 people, provided loans to enterprises for the creation of 2,800 additional jobs and to 2,400 unemployed who wanted to establish their own businesses.

In the first half of 1990 there were 87 strikes (10 in industry; five in municipal services; three in trade enterprises; and 63 in various divisions of the Pomorze and

Northern Region of Polish State Railways (railway workshops and stations). Some 24,500 workers (24.6 percent of the total staff in units that notified strike action) took part in these strikes. The loss of workdays was calculated at some 78,200 workdays. The enterprise believes that the demands of the strikers concerning top-level personnel changes have been implemented, but the economic demands have only partially been satisfied.

The Consumer Market

The market situation in the first half of 1990 was influenced by the substantial fall in the purchasing power of people's incomes and their financial reserves. The fall in demand, greater than in supply, led to a general market equilibrium. Shopping became less of a problem.

In January 1990, the average levels of savings were sufficient for some 40 days of expenditure. As a result of a significant build up of income savings, in June 1990 the average savings figure was sufficient for 63 days of expenditure (last year, it was 88 days of expenditure).

It is estimated that trade activity turnover amounted to Z94 trillion (some Z36 trillion for the food sector), in the first half of 1990. Sales in the private sector were Z19 trillion (some Z8 trillion for the food sector). The total trade volume fell by 33 percent, but increased by 140 percent in the private sector.

The number of private trade enterprises was 140,000—double the number compared to the end of 1989—and an increase by a factor of 2.8 compared to June 1989. The number of private mobile outlets rose compared to June 1989. The number of private mobile outlets rose significantly. Private shops now form some 35 percent of all trade outlets.

The progressive fall in demand that appeared at the beginning of 1990 caused a drop of production and market supplies. The meat market registered a great demand for cheaper meat and smoked meats. This often led to shortages of these products in state stores and people increasingly turned to producers and private manufacturers. Competitive butter prices limited demand for margarine. Market supply of milk and milk derivative products was adequate in terms of volume but inadequate in terms of product range.

Sales of non-food products fell significantly. Apart from the general lowering of demand, this also resulted from less frequent buying out of goods and peoples' reluctance to buy items whose purchase could be postponed. The product ranges were poor in variety and quality and did not meet consumer demand.

Relations With Other Countries

With the fall in production, the volume of exports increased in the first half of 1990. This was the effect of a depressed home demand for industrial and agricultural products as well as for building services. Throughout the first half of 1990, imports (seen as a relationship between purchases abroad to meet demand and conditions of the home market) continued to fall. The structure of dealings according to payment areas changed. Exports to the second payment area rose considerably, especially in the second quarter of 1990. Exports to the first payment area in the first five months of 1990 were running at a similar level to last year, but as a result of a deep fall in June 1990 ended lower for the first quarter of 1990 compared to the first half of 1989. There was a greater fall of imports from the first than the second payment area.

Foreign trade turnover in the first half of 1990 (in current prices) was as follows:

Item	First Payment Area		Second Payment Area	
	Rubles	Jan-Jun 1989	U.S. dollars	Jan-Jun 1989
	millions	equals 100	millions	equals 100
Export	5,475.4	97.4	4,672.9	110.9
Import	2,988.4	60.0	2,596.0	68.9
Balance	+2,467.0	—	+2,076.9	—

There was a fall in turnover with the first payment area in all product groups (in current prices), with the exception of fuel exports (mainly coal, coke, fuel oil, and petroleum products) and agricultural imports. A positive balance with this payment area at the end of June 1990 was 2,487 million rubles, and exceeded the figure for the similar period in 1989 by 1,841 million rubles. The favorable price changes also contributed to this result.

In trade with the second payment area (in current prices) there was an increase of agricultural products (rape seed, vegetables, fresh fruit, and horses for slaughter), and chemical industry, light manufacturing industry, precision engineering and metallurgic industry products. There was an insignificant drop in exports of fuels and energy products (coal, engine fuels, and electric energy), and food manufacturing industry products. Restrictions on the imports of food manufacturing, chemical industry, metallurgical and light industry products contributed to the fall in imports, but the import of fuels (petroleum products, engine fuels, and heating oils), and the products of the precision engineering industry was higher. At the end of June 1990 there was a positive balance of $2,076.9 million. This was $1,629.2 million more than in the corresponding period of 1989. The effect of unfavorable price movements is estimated at some $72 million.

The dynamics and structure of imports according to their destination, in current prices, was as follows:

Item	Jan-Jun 89 equals 100	Jan-Jun 90 Percentage	Jan-Jun 89 Percentage	Jan-Jun 88 Percentage
Investments imports	72.3	12.5	11.6	10.9
first payments area	49.3	5.2	7.1	6.2
second payments area	108.2	7.3	4.5	4.7
Supply imports	66	71.6	72.7	74.7
first payments area	67.5	36.8	36.5	39.8
second payments area	64.4	34.8	36.2	34.9
excl. grain and feed	71.3	70.6	66.4	69.2
first payments area	67.5	36.8	36.5	39.7
second payments area	75.8	33.8	29.9	29.5
Market imports	68	14.2	14	12.7
first payments area	57.2	4.4	5.2	5.8
second payments area	74.3	9.8	8.8	6.9

Though market imports from the second area of payments fell, imports within the framework of the so-called internal export system—the "Pewex" and "Baltona" hard currency shops—rose from $186.3 million in the first half of last year to $272 million this year. The percentage of these internal exports out of total market imports from the second area of payments rose from 28.4 percent to 54 percent.

Trade in the first half of 1989 was conducted as follows:

—Some 86 percent of all exports was handled by 86 specialized foreign trade units (last year it was 86 percent and 76 respectively), and 14 percent of them was handled directly by 609 producers (last year it was 14 percent and 241 respectively).

—Some 92 percent of imports were handled by 90 specialized foreign trade units (last year it was 96 percent and 82 respectively), and eight percent of them was handled directly by 368 producers (last year it was four percent and 177 respectively).

Different rates of exchange for the rubles transfer were introduced on 1 June. Apart from the Z2,100 to 1 ruble rate, applicable to transactions based on international agreements, a new rate of Z1,000 to 1 ruble was introduced applicable to remaining exports.

The balance of payments after the first five months of the year in transfer rubles showed a surplus of 2.719 million, against 228 million at the same time last year. This figure is the result of lower payments in kind for fuel and energy imports and for electrical, chemical, and metal goods.

At the end of May, convertible currency debts amounted to 5.2 billion transfer rubles, 0.6 billion transfer rubles less than at the end of December 1989.

Current turnover in convertible currency closed with a surplus of $954 million, compared to the $465 million last year. There were increased earnings from exports of agricultural produce and products of the chemical and metal industries, among other things. Turnover implemented via the clearing system also closed with surplus as a result of a considerable increase in incomes, thanks mainly to the application of clearing accounts in convertible currency vis-a-vis the USSR for the first time in May. On 1 April, a dollar rate of exchange of Z7,500 in these accounts was introduced.

Foreign debts in convertible currency at the end of May amounted to $42.1 billion, $1.3 billion more than last year. This was the result of accumulated interest (causing an increase of $1.4 billion) and an outflow of capital (causing a reduction of $0.1 billion).

In the first half of the year, over 30 million people crossed the Polish border, 62 percent more than last year. The high number of foreign trips by Poles continued. Eleven million citizens went abroad, 66 percent more than during the first six months of 1989. The number of foreigners visiting Poland also increased considerably, by 52 percent. Some 4.5 million foreign citizens visited Poland during this period, 79 percent of them from CEMA countries.

The greatest tourist traffic occurred on the western border, which 14.8 million citizens crossed, twice as many as in 1989. Some 9.5 million people used the southern border, 48 percent more than last year; and 4.4 million used the eastern border, 34 percent more than last year.

One million people entered and left Poland by air, and 300,000 did so by sea. Over 60 percent of these were Poles, 20,000 less than last year.

Spokesman Chebeleu on Romanian Workers in Iraq

AU1308175990 Bucharest Domestic Service in Romanian 1700 GMT 13 Aug 90

[Communique issued by the Foreign Ministry on the situation of Romanian workers in Iraq; read by Foreign Ministry spokesman Traian Chebeleu—live or recorded]

[Text] We made further approaches to the Iraqi Ministry of Foreign Affairs, asking the Iraqi authorities to ensure conditions for the protection and security of Romanian citizens in Iraq.

The Ministry of Foreign Affairs of Iraq told us that the Iraqi authorities are paying all due attention to ensuring conditions for the secure and normal progress of the activity of Romanian personnel.

Out of a total of 3,056 Romanian citizens working in Iraq, 192 will return home, either because they completed their mission there or they will be on vacation. This group will be joined by 20 truck drivers, 23 temporary workers, and 17 tourists caught up by events in Iraq. The Iraqi Ministry of Foreign Affairs said that the latter, as with the 192 cooperative workers, can leave Iraq normally, by land.

In the afternoon of 13 August, Iraqi Ambassador to Bucharest Ibrahim Shuja' Sultan officially told Mr. Constantin Ene, secretary of state at the Ministry of Foreign Affairs, that all Romanian citizens in Iraq will be able to leave for Romania through Jordan.

The Romanian Ministry of Foreign Affairs follows this matter with maximum The members of the families of Romanian citizens currently in Iraq can turn for further information to the Ministry of Foreign Affairs, telephone 148871, between 1630 and 2200 hours [1330-1900 GMT].

Nastase Interview on Minorities, Warsaw Pact

AU1308150990 Bucharest ROMPRES in English 1337 GMT 13 Aug 90

["Adrian Nastase: Democracy Cannot Be Achieved at Two Different Paces"—ROMPRES headline]

[Text] Bucharest ROMPRES, 13/8/1990—We are of the opinion that many things have been done after the revolution as far as the legitimate rights and interests of those belonging to ethnic minorities in Romania, stated Mr. Adrian Nastase, Romanian foreign minister, in an interview with the independent daily "DIMINEATA."

Only the fact that a political group like the Hungarian Democratic Union of Romania could send 41 deputies and senators to the parliament is a telling illustration of the newly created democratic framework. But we do not think that democracy could be achieved in Romania at two different paces, one for the majority and one for the minority. Therefore if certain problems are not solved at the level of the entire Romanian society this does not mean that the minorities in Romania are discriminated.

As a matter of fact, the minister specified, we do not think that the problems related to the minorities' rights could be solved by granting them privileges. We intend to consistently apply international standards as far as minorities are concerned and the policy of the most democratic states in this respect. But we are against using the questions related to the rights of the Hungarian minority as a political instrument and we think that such an approach can be but counterproductive for bilateral relations. We are trying a pragmatic approach meant to gradually solve tangible problems.

Referring to the recent Romanian-Hungarian talks in Budapest, Mr. Adrian Nastase, the youngest foreign minister in Europe, the first jurist to ascend to the office of head of the Romanian diplomacy after Nicolae Titulescu, is of the opinion that the very holding of such talks is a positive fact, and that this should be the natural course towards solving international issues.

Answering a question concerning Romania's stand on the Warsaw Treaty the minister said that the changes occurred in Europe had brought about changes in the nature and functions of the pact and that in a medium-range perspective the treaty, which was generated by a certain ideological confrontation, would lose its raison d'etre. That is why we do not think that we have to jump from a running car which will soon finish its gasoline and will stop by itself.

FRG Ambassador on Romania's Isolation

AU1308131190 Bucharest ROMPRES in English 1016 GMT 13 Aug 90

[Interviews-Declarations—West German Ambassador: To Isolate Romania a Mistake"—ROMPRES headline]

[Text] Bucharest, ROMPRES, 13/8/1990—We are positive about the attempt to isolate Romania politically being a wrong way, stated Mr. Klaus Terfloth, FRG ambassador in Bucharest to daily DIMINEATA.

Referring to the evolution of the relations between the two countries after the revolution, the West German ambassador notes with satisfaction several fundamental changes. Romania has restored the human rights, unreservedly going into collaboration within the CSCE. Equally, evolutions have come about toward a democratic development of the country. All these elements have provided conditions for Romania's rejoining Europe.

More specifically, in the bilateral relations there is no more obstacle in the development of the economic exchanges. The Federal Republic of Germany is ahead of all its partners in Western Europe in point of assistance given to Romania after the revolution. But this is but a first stage, in which Romania was mainly the recipient. A new stage has to start, the stage of economic exchanges and collaboration in which both parties will be givers and takers alike.

As far as the cultural domain is concerned, a new master program has been concluded that allows for transfers of values both ways, and it applies to the arts, literature and science alike.

Asked how he feels about the condition of the German minority in Romania, the ambassador states:

I want to state that as of the December '89 revolution, unlike the past period, I have noted a greater understanding with the Romanian Government of the German minority's issues. I have welcomed the fact that President Ion Iliescu has recently received the representatives of the German Democratic Front of Romania. The participants in that interview have concluded that all issues can find a way of settlement. What still tells upon the condition of the German minority is a burden inherited from the old regime as well as from the earlier history, starting with the end of the war.

German ethnics' leaving Romania now must not be surprising. This is owing to the fact that they made this decision years ago and only now are they able to leave. In many cases it is also about reunion of long separated families. As a matter of fact, there are numerous subjective factors involved in such a decision.

As far as we are concerned, we hope and this is in line with the Romanian Government's thinking that through a string of stabilizing measures we could induce a considerable part of the German ethnics to stay in the country.

Roman Receives International Helsinki Groups

AU1308182290 Bucharest ROMPRES in English 1747 GMT 13 Aug 90

[Text] Bucharest ROMPRES, 13/8/1990—On Monday morning Romania's Prime Minister Petre Roman received a delegation of National Helsinki Groups of Czechoslovakia, Denmark, Switzerland, Italy and Norway now on a visit to Romania.

The delegation is made up of Mrs. Violeta Bajascu, head of the Helsinki Group for Romania of Italy; Mr. Bjorn Elmquist, vice-chairman of the Danish Helsinki Group, member of the Danish parliament, chairman of the Liberal Group of the Parliamentary Assembly of the Council of Europe; Mr. Jorgen Estrup, member of the Danish parliament: Mrs. Kirsten Flemestad, head of the Helsinki Group for Romania of Norway; Dr. Karin Helweg Larsen, professor at the University of Copenhagen, member of the Medical Group of Amnesty International; Mrs. Monika Schar, member of the Helsinki Group for Romania of Switzerland; Prof. Dr. Paolo Ungari, chairman of the Human Rights Commission of the Councilc of Ministers of Italy, co- chairman of the Italian Helsinki Group; Mrs. Kare Vollan, member of the Helsinki Group for Romania of Norway; Mr. Vlad Weissman, member of the Danish Helsinki Group.

During the interview the Romanian premier informed the guests about the government's programme and the measures taken to revive the country's economy. In that context he referred to aspects of the parliamentary life, law drafting and adoption, the relations between the opposition and the government. During the dialogue, characterized by sincerity, questions were approached related to the freedom of the press in Romania, the 13-15 events, the progress of economic reform, just as other questions concerning the social, economic and political life in this country.

Helsinki Groups Delegation Communique

AU1308195190 Bucharest ROMPRES in English 1836 GMT 13 Aug 90

["Conclusions of National Helsinki Groups Delegation at the End of Romanian Visit"—ROMPRES headline]

[Text] Bucharest ROMPRES, 13/8/1990—At the end of their visit to Romania, National Helsinki Groups delegation released the following communique:

A delegation of National Helsinki Groups visited Romania in the days of 9th to 13th of August after visit during the May election. We come from Czecho-Slovakia, Denmark, Italy, Norway, Switzerland.

The purpose of the mission was to assess the human rights situation and progress towards democracy, at the same time establish a working dialogue with the new government officials, parliament and political and human rights organisations.

Our major concern besides the progress of work on the constitution and legislation was the events of June 13th to 15th. Our program was concluded today with a meeting with Prime Minister Petre Roman. Before that we met with the minister of the interior, Mr. Doru Viorel Ursu; the vice-minister of justice, Mr. Nicolae Bracaciu; the prosecutor general of Romania, Mr. Gheorghe Robu; the chief of the Romanian Intelligence Service, Mr. Magureanu; the director general in the Ministry of Justice, Mr. Dinu Ianculescu; the chief of the Bucharest Police, Mr. Viorel Voicu; the chief military prosecutor, Mr. Mugurel Florescu; the chief of the Investigation Department, Mr. Ovidiu Paun.

We talked with the parliamentary investigation commission on the June events headed by the vice-chairman, Mr. Ion Solcanu and the vice-chairman, Mr. Sergiu Cunescu. We visited the head quarters of the opposition parties, the Hungarian Alliance, the National Liberal Party and the National Peasant Party. We had contacts with the Ethnic Federation of Romania and various groups we further had talks with the president of Romanian Radio and Television, Mr. Razvan Theodorescu and the editor in chief of the daily ROMANIA LIBERA.

We were impressed by the openness and warmth with which we were received everywhere.

We found it important to stress the need to get to the bottom of the events that took place on June 13th to 15th in order to clarify the present position of Romania in relation with the democratic development that we are witnessing in Europe today.

We noticed with regret that, only little progress has until now been achieved in the police and prosecutor's offices investigating the context of the miners' action in the capital city; there also seems to be very little progress in the investigation in the way the law enforcement bodies performed their duties guarding vital institutions of the state.

We hope that the report to be prepared by the parliamentary commission will establish the proper balance between the various aspects of the June events.

The security of the state and the rights of its citizens can only be assured through the protection by democracy's legal institutions and never by resorting to illegal action by any social or professional group.

We have also great expectations to the parliament's session opening now.

We hope that democratic working procedures will be established and that the parliament is given all the power it needs in a democracy.

It is crucial that emphasis is put on implementing civil rights like procedural laws, press freedom etc. Only so the present unsatisfactory degree of protection of human rights can be improved.

Finally, we are happy to hear from the press, that the foreign minister will work for integrating Romania in the pan-European system of guarantees of human rights. The minister also mentioned his intention of creating an institute of human rights, under the auspices of the parliament, as well as special courses in this field, aimed at police personnel, prosecutors and judges.

Roman Meets International Red Cross Delegations

AU1308182190 Bucharest ROMPRES in English 1721 GMT 13 Aug 90

[Text] On Monday in Alexandria, during a meeting with representatives of the Teleorman branch of the Romanian Red Cross, the Red Cross International League, the Red Cross International Committee and the French Red Cross, Romanian Prime Minister Petre Roman presented the government programme and the steps taken to revive the Romanian economy. He also referred to aspects of the parliament life, the relations between the opposition and the government, the freedom of the press in Romania, the 13-15 June incidents, the advance of the economic reform, as well as other aspects of the social, economic and political life in our country.

Shamir Cited on Israeli-Romanian Relations

AU1408110890 Bucharest ROMPRES in English 0832 GMT 14 Aug 90

[Yitzak Shamir: "I don't see why we should not develop the relations with Romania more"—ROMPRES headline]

[Text] Bucharest ROMPRES, 14/8/90—I think the friendly relations should be developed in every respect, in all economic and cultural domains, stated Israeli Prime Minister Yitzak Shamir in an interview with the envoy of the daily ROMANIA LIBERA, Crina Sirbu, answering a question about the Romanian-Israeli relations.

"I don't see why we should have limits in the development of our relations" the prime minister added, for "there are no differences of views, no conflicting interests between Romania and Israel".

"We will be very pleased to meet your country's leader" Mr. Shamir stated answering a question about a possible meeting with Romania's president.

Education Ministry Rejects Candidates Demands

AU1308144790 Bucharest ROMPRES in English 1024 GMT 13 Aug 90

[Text] Bucharest, ROMPRES, 13/08/1990—The Ministry of Education and Science rejects the pressure put by certain candidates who failed their faculty entrance examination in June. Some of those candidates are on hunger strike in Bucharest and Cluj, asking for admission marks to be lowered, hence for an extra number of places to be allocated to faculties (this year the number of places in the whole country is 50 percent bigger than last year).

A communique of the Minister's Office says that this protest, which seriously endangers the health of those who resort to it, is a way to force an unlogical solution, against the rules of examination which were announced in due time.

The ministry considers that there are no reasons to supplement the number of places and that to accede to the demand would mean not only not to respect the rules of the examination, which had not been questioned before, but also to take a subjective position that may favour certain candidates.

As for the irregularities pointed out by a number of candidates in the examination at certain faculties, the ministry will order an investigation and will take measures, if necessary.

It was also announced that an admission examination will be held this autumn for 1,200 places in post-secondary schools, to give the possibility to those who had not been admitted to faculties to continue their studies.

The communique contains an inventory of facts (evinced also by the talks between representatives of the candidates and of the ministry) in support of the ministry's position of defending the ethics of the entrance examinations and of rejecting the extreme pressures of a number of candidates as inadequate.

Government Rejects Protests of Appointments

AU1308144590 Bucharest ROMPRES in English 1033 GMT 13 Aug 90

["Official News—Government Communique—The Government Rejects the Protests Staged in Certain Counties to the Government's Nomination of Prefects and County Administrations"—ROMPRES headline]

[Text] Bucharest, ROMPRES, 13/8/1990—A statement of the Government's Press Office shows that the executive, which did not initiate the bill on the government's appointment of prefects and mayors, upheld it until its enactment and promulgation because the reorganization of the local administration is unquestionably a necessity of the governing process.

Recognizing the great merit of the former local administrations and ex-local National Unity Councils which removed the greater part of pre-revolution structures and ensured transition to the new structures, the elected government is of the opinion that the new structures can only be built on the basis of universally acknowledged principles of the state of law which say that:

—the executive is responsible for governing, hence the government has the duty and the ability to name its representatives at local level on competence, not other, criteria.

—the prefects are the chief local administrators and representatives of the general government in the country, they are not the representatives of the county electorate.

—in a unitary state, the legislative power is vested in parliament which exercises it. Hence there is no reason why the local bodies of the lawmaking power of the Provisional National Unity Councils should exist.

—the inhabitants of communes, villages, towns, and cities elect local councils led by mayors to administer local affairs.

Therefore, the communique goes on, the dissolution of the local Provisional National Unity Councils and the appointment of prefects by the government are not undemocratic acts, they are normal, legitimate acts which are contested because the functions of democratic institutions are ignored and because unfortunately there are persons who hold on to power come what may or would like to conserve structures doomed by history.

As concerns the mayors, they are appointed by prefectures until local elections are held—after the reorganization of the local administration bill is enacted. Given the importance of this law, it cannot be written in a hurry.

Before the appointments, the government sent exploratory missions in all counties, the communique shows. Those missions talked with all local factors and gathered information on the most competent and highly regraded people who could hold official jobs at prefectures.

Furthermore, the prime minister recommended that advisory commissions be formed at local administrative level to include representatives of all political and civic groups in the area who should give their opinions on local administration matters.

In consideration of the above, the government takes the view that to contest the nomination of prefects and other local administrative officials means to ignore the spirit and letter of the laws enacted by the country's elected parliament, the rules of democracy and the norms of administrative activity. In most of the cases the nominations are contested by organizations and persons which, according to the democratic law and practice, do not have the competence in such matters that are the province of the executive.

Arrested Protest Leader Nica Released

AU1308144890 Bucharest ROMPRES in English 1339 GMT 13 Aug 90

[Text] Leon Nica, president of the National Democratic Party, was released along with other 33 defendants, the Prosecutor's Office announced adding that their alleged involvement in the 13-15 June events would continue to be investigated while they are at large. The reasons behind their arrest no longer hold, the prosecutor's press and public relations office explained.

The Bucharest Prosecutor's Office and the Military Prosecuting Department also ordered nine other defendants allegedly involved in the same events to be released following the conclusions of the psychiatric experts' reports on the lack of judgment of the accused, which rules out their criminal responsibility.

The same office announced that next week the Bucharest Prosecutor's Office would end the indictment of 25 defendants, including Dumitru Dinca, president of the People's Alliance, for their alleged outrage upon morals, disturbance of public order, and taking the headquarters of public institutions by storm. The trial guarantee requirements of the code of criminal procedure are yet to be met.

By making great effort to clarify all the problems brought to its attention directly—or through the evidence-collecting bodies the Prosecutor's Office—reiterates its determination to exercise its attributions all while fully observing the law, the statement shows.

Government's Stand on Situation in Sapinta

AU1308184690 Bucharest ROMPRES in English 1802 GMT 13 Aug 90

["Government's Stand on the Situation in Sapinta"—ROMPRES headline]

[Text] Bucharest ROMPRES, 13/8/1990—Evaluating the situation in the Commune of Sapinta, Maramures County, north-western Romania, and the claims of its dwellers, the government assesses that the tension among natives is generated by the discontent accumulated both before and after the December revolution, following the actions and practices of local authorities which led to unjustified differences and conflicts of interests in connection with the administration of the settlement's wealth.

A communique released in Bucharest on Monday afternoon shows that the occupation of the mayor's office, the undertaking of unlawful actions, instead of actually solving the problems of the commune, violate the country's laws proving a simplistic understanding of the democratic process.

The repeated blocking of the national road no. 19 has serious consequences disrupting passenger and goods traffic, hampering the supply of the villages in the area, the commuters' going to their jobs.

The administration of Maramures County is entitled to solve the problems strictly abiding by the law by supporting and controlling the commissions appointed to inquire into the abuses denounced by the citizens and into the way in which the producer cooperative farm was dissolved and part of its assets capitalized, just as into other questions.

To lawfully and democratically solve these problems it was decided that the county administration together with representatives of the interests of the whole settlement, of various groups, the members of the commissions and the county's representatives to the parliament set a package of tangible measures regarding the lawful appointment of the new mayor, the assessment of responsibilities for the illegal acts previously committed and the settlement of pressing problems so that the climate of quiet and good coexistence be restored among the dwellers of the commune, the conditions that could favour acts of violence being thus removed.

Small Owners Founding Meeting Elects Leader

AU1408083390 Bucharest ROMANIA LIBERA in Romanian 8 Aug 90 p 2

[Text] At the initiative of the Alliance of Free Artisans from Bistrita, Bistrita-Nasaud County—an association with long-standing traditions in the performance of the most diverse professions—the Free Initiative Small Owners' Party [FISWP] was set up at the end of last May, with its headquarters in the city's Central Square No. 1, floor 1, telephone number 990/24300.

In the opinion of its founders, the creation of this new political group aims to stimulate private initiative, defend the interests of small employers, support people interested in carrying out an independent productive economic activity, and grant them assistance in their dealings with the state administration for the creation of private companies and in the implementation of formalities concerning the implementation of the provisions of Decree No. 54/1990.

The party's platform-program emphasizes that the FISWP is an independent, center political grouping open to small artisans, farmers, tradesmen, and servicemen who opt for a "policy of broad and profound reorganization of economic life, on the principle of the existence and functioning of the regulating mechanism of the free market and on unhampered freedom to produce and trade with the best products, technologies, and items—which are natural services that successfully compete, on the basis of their merit, on the domestic and international markets"—the program-document stipulates.

The president of this political formation is Mr. Florin Marian, a carpenter.

According to its statute, the FISWP intends to organize county branches and municipal, town, and communal sub-branches, which will be set up in accordance with various local initiatives communicated to the party leadership at the aforementioned address.

First Press Law Suit Filed in Bucharest

AU1008170290 Bucharest ROMPRES in English 1557 GMT 10 Aug 90

["Justice: The First Press Law Suit"—ROMPRES headline]

[Text] Bucharest ROMPRES, 10/8/1990—In Bucharest the first law suit started between a private periodical and a state printing house. "REPORTER" magazine sued "UNIVERSUL" printing house for moral and material compensations. The total prejudice, resulting from the printing house's obstructing the publication of "REPORTER" magazine as specified in the contract, amounts to 433,704 lei.

Interview With Parliament Senators

AU1008170590 Bucharest ROMANIA LIBERA in Romanian 2 Aug 90 pp 1, 3

[Report on interview with Senator Radu Ciontea by Cici Iordache-Adam: "The Senators: Three Questions, Six Answers"]

[Excerpt] The first session of the Parliament of the Romanian democratic state has concluded. Whether it met the expectations of our nation, only the Romanian electorate can answer. As a reporter who often saw the senators at work, I tried to find out the opinions of some of these political figures of our times, whom we have fully entrusted with our aspirations.

I asked them the following questions:

1. Now, at the end of the Romanian parliamentary session, what do you think has been the most valuable accomplishment?

2. What can you say about your own contribution?

3. What does it mean to you to be elected to and to be present at this legal forum of our country?

I received the following answers:

Radu Ciontea, senator of Maramures, president of the "Vatra Romaneasca" Union:

1.—The first and foremost accomplishment is the fact that there is a parliament in Romania which was elected in a democratic way. Another accomplishment is the fact that now our people have a forum to which they can turn with their hopes for the implementation of legality. As a matter of fact, this is the basis of my concern, because the parliament itself is learning the parliamentary life, democracy, and freedom after so many years of masquerades that were artificially staged in triumphal-euphorical-lethargic scenarios of the defunct Grand National Assembly. Accomplishments that shock in their brilliancy were not recorded. They could not have happened because much energy was expended on operational rules, and rules that belong to the somewhat dry administrative section, but which are absolutely necessary. I believe that the first valuable accomplishment will be the establishment of a normal state of affairs in the life of our country. The establishment of this normal state in our country at this point is most difficult because when such a state starts to gain shape, through the will and wisdom of which we are capable, it seems that this state is harassed by mystical forces. I think that there is still a secret mechanism working against our aspirations. However, I believe that this mechanism will get tired. It will become ashamed. Efforts to rob our homeland are made behind the mask of a "European-type" of democracy.

A favorable cooperation between the legislative and executive forces, that is, between the parliament and the government, has been achieved. This cooperation will ensure the basis on which the creative energy of our nation in all areas can be released, and on which all forms of ownership—which should be open to daring initiatives, but that, however, should not lack caution—can be established and guaranteed. The duty of the parliament and the government is to ensure broad prospects for freedom. This is being done, even if it is not done at the desired speed. People must make this freedom fruitful through decent and adequately compensated work. Otherwise, without the fruit of labor, our activity will remain only an abstract idea. We will have to urgently reestablish the ethics of labor after the 22 December "earthquake" and numerous and rough "aftershocks." I think that the Romanian people still do not have an appetite for the life that can lead us to the normal situation that I was talking about at the beginning, because they are still thirsty for the truth they know they deserve. Restoring this truth could determine a change in the still gray face of our country.

2.—I do not think that it is proper to assess one's contribution. However, I dare say that I was vigilant and sincere. As a person born in Tirgu Mures, I cannot help being vigilant and as far as sincerity is concerned, "Vatra Romaneasca" itself radiates it.

3.—I am not ashamed to say that in the beginning I was deeply moved at the thought that before me, during the democracy that existed before "the most just of all societies," there were many famous personalities in the Romanian Senate. I could feel their spirits but also their protective shadows. I was scared of solemnity and of a certain stiffness, but it was a groundless fear. It is very pleasant that there is no so called conflict of generations in the Senate. Illustrious personalities and university teachers, who still caught the old parliamentary life, certainly exchange ideas with the young senators, who are maybe younger than in any other country in the world; sometimes they contradict each other or agree with each other; however, they discuss democracy, life, and responsibility.

Slowly, slowly I realize that everything can be learned, even to be a senator. Therefore I am learning. It is a novelty for all of us. The responsibility that I feel makes me happy but also forces me to judge myself. And while I am judging myself, I keep thinking of Transylvania, because, if Romania is my mother, Transylvania is my nurse. [passage omitted]

Campeanu Addresses NLP Workers Meeting

AU1008152090 Bucharest VIITORUL in Romanian 3 Aug 90 p 3

[Eugen Iordache article: "The Meeting of the Workers Organization of the National Liberal Party—Mr. Radu Campeanu's Speech"]

[Text] Mr. Eugen Mailat, secretary in charge of workers issues tells us that, according to Article 4 of the Statute of the National Liberal Party [NLP], NLP workers organizations are functioning at the level of counties, municipalities, and Bucharest sectors.

The first meeting with the representatives of these organizations took place on 25 July 1990 at the party central headquarters in Bucharest, when a useful and mutual exchange of information took place between the party leadership and the workers.

The participants discussed various aspects connected with the situation of salaries; the socioeconomic implications of the transition to the market economy; the role of trade unions in the relations between the administration boards or employers, on the one hand, and the workers, on the other; and the need to set up local study and information circles in the counties.

Interrupting his Senate activity for several hours, Mr. President Radu Campeanu participated in the meeting's proceedings.

At the beginning of his speech, he emphasized the distinct role that the workers organizations should have within each link of the local organizational chain, similar to the statute of students' organizations.

In order to directly acquaint oneself with the life of workers in the developed Western countries, Mr. Radu Campeanu proposed the organization of visits by workers delegations to various European countries: France, Germany, or Italy.

On these occasions, the visitors can make direct contact with workers in various cities; find out about their hosts' working, social assistance, housing, recreational, and vacation conditions establishing links that can later be expanded to the benefit of both sides.

Referring to the current situation in Romania after the 13-15 June events, Mr. R. Campeanu said:

"Romania is again very isolated and the free world is very reticent and reserved toward us. However, the situation will change. It will change, but not because of the propaganda made by the current rulers. I told Mr. P. Roman this directly; It is not declarations of intent, but rather the way in which the country is governed and the way in which everybody's freedom and rights are ensured that will bring us honor and dignity. Honor and dignity will come when law and justice rule again."

Talking about the Senate's legislative activity, the NLP president asked those present to put forward concrete proposals on problems of widespread interest. They include laws on unemployment, strikes, and pensions, which the NLP parliamentary group will promote as their own legislative initiatives, in accordance with the interests of the working masses.

Referring to the social facet of privatization, Mr. R. Campeanu pointed out the particular attention paid in the West to the question of "social administration," that is to those who contribute to the production process in a private enterprise.

In conclusion, Mr. R. Campeanu said:

"These days, politics is no longer like it was 60-70 years ago. It has become a science, based on economic and social data for each group. Politics is no longer a simple matter of inspiration, but rather a question of study, thinking, documentation, and information. We ask you to join and cooperate with us, since we are very keen on constructively solving your problems and we will always support you."

The NLP president then answered the questions of Messrs. D. Mariutan (Calarasi), V. Burtoi (Prahova), C. Rovianu (Gorj), I. Mos (Salaj).

The meeting proved useful. All participants valued the serious nature of the discussions, the realism of the problems raised, and the future prospects of the activity of the workers organizations.

'Democratic Union' Appeal to Opposition Groups

AU1308133290 Bucharest ROMPRES in English 0953 GMT 13 Aug 90

[Text] Bucharest, ROMPRES, 13/08/1990—The recently set up "Democratic Union" extends to all political formations and parties, TU organizations, associations and independent personalities an appeal for union of the whole opposition into a movement around a joint, democratic, non-totalitarian movement pursuing the reactuation of the political dialogue in the Romanian society, reads a release of the union sent to the ROMPRES.

For the consolidation of the constituted nucleus and the structuring of a strong opposition political formation, a credible and constructive alternative, the "Democratic Union" invites to dialogue the parties that share this political option, as well as the intellectuals, workers and peasants that so far have not been organized politically or socially.

Zisu on Industry Ministry Reorganization

AU1308151090 Bucharest ROMPRES in English 1325 GMT 13 Aug 90

["Economy: The Commercial Society—The Basic Cell of the Economy"—ROMPRES headline]

[Text] We want decisionmaking to be in future as close as possible to production, in other words we want the enterprise, the commercial society, to really become the basic cell of the economy, the resources and industry minister Mihai Zisu told a ROMPRES journalist. The ministry's 12 departments—electricity and heat, mining, petroleum, geology, metallurgy, machine building, electronics, electrical engineering, fine mechanics, chemical and petrochemical industry, textile and leather, construction materials, woodworking and materials recycling—with 40-50 per cent less staff, must work out the growth strategy for each branch in line with the government's economic policy to administer the state capital and be a catalyst of economic reform.

With the growing autonomy of the commercial societies that are being formed, the role of departments diminishes to become a general division of the central body—the ministry—says the minister.

A number of administrative levers will be maintained in the transition period, but they will increasingly become looser while the economic lever—the only true lever that does not run the risk of turning into a dogma, to become a brake—starts to work. For instance, economic balances will not be eliminated 100 percent now when resources are very limited; they were cut to 180 from 2,000, and through them we will coordinate the major flow of

resources. As commercial societies take over their role as autonomous economic agents, the state interference in the economy will become nil. It would be a big mistake to keep the old administrative structures, but to give them up at this stage only because America or France does not have them would be equally mistaken.

The new Resources and Industry Ministry plans to help the new economic structures to function on the basis of surveys and forecasts. And because the organizational side is, in broad outline, finished, we have started making the plan for next year, says the minister, a real plan in terms of the resources that the national economy can use at present.

Communique Reiterates Religious Freedoms

AU1308194990 Bucharest ROMPRES in English 1817 GMT 13 Aug 90

["Communique of State Secretariat for Denominations"—ROMPRES headline]

[Text] Bucharest ROMPRES, 13/8/1990—In connection with the letters it received from Germany and Switzerland, letters which ask that the churches be guaranteed "all rights and freedoms" they need, the State Secretariat for Religious Denominations issued a communique which shows inter alia:

Learning about the viewpoints expressed, the State Secretariat for Religious Denominations informs that the freedom of faith has been lawfully re-established in Romania as well as the denominations' activity, in a continuously improving democratic system. In this context the State Secretariat reiterates its determination to ensure full freedom of faith for all the citizens of the country, a fundamental principle of Romania's present and future political life. Any interference in the activity of any denomination is excluded.

Under these circumstances, the communique reads, we think that the worries and fears of people abroad, inspired by best intentions but no longer in touch with the specific character and realities of the Romanian religious phenomenon, are groundless. The road we have embarked upon is the road of free expression of any religious believe which the new democratic state supports with all its means.

144 Nationals Arrive in Belgrade From Jordan

LD1408073990 Belgrade TANJUG Domestic Service in Serbo-Croatian 0626 GMT 14 Aug 90

[Summary] Belgrade, 14 Aug (TANJUG)—144 Yugoslavs working in Iraq arrived in Belgrade this morning having traveled from Baghdad to Amman by bus and then on a special JAT [Yugoslav Airlines] flight from Amman to Belgrade. The workers report shortages in Baghdad, especially of flour and sugar.

Kosovo Meeting Protests Serbian 'Occupation'

AU1008183790 Pristina RILINDJA in Albanian 4 Aug 90 p 6

[Zeke Gecaj report: "The Totalitarian Bolshevik System Has Still Not Been Dismantled"]

[Text] We have not been and will not be subjugated by the totalitarian system that is carrying out Serbian policy in Kosovo. This system reached its apogee last month when every form of government in Kosovo was destroyed, the Albanian-language media were placed under occupation and some were stopped completely, and a police occupation of the economy was imposed, said Ferid Shehu, secretary of the Association of the Return of Albanian Emigrants, at the democratic tribunal organized by all the opposition groups of Kacanik yesterday evening on the topic "Creating Theoretical and Practical Conditions for the Advance of Parliamentary Democracy in Kosovo."

At this tribunal, at which Veton Surroi (Association for a Yugoslav Democratic Initiative), Shkelzen Maliqi (Kosovo Social Democratic Party), Ylber Hysa (Youth Parliament), and other representatives of the Kosovo Alternative took part, it was said among other things that, by looking at the present situation in Kosovo, where the Serbian police state is using the harshest methods in its attempt to stamp out democratic trends, one can see that democratic forces in Yugoslavia have still not succeeded in dismantling the totalitarian Bolshevik system.

No Decisions in Yugoslavia Without the Albanians

Veton Surroi said in his introductory remarks that Kosovo is currently confronted with two problems, one-party dictatorship and chauvinism, both of which are concentrated in the Serbian government. Kosovo is governed by classic tools of violence used by Serbian chauvinists against ethnic Albanians. Some people find it a riddle that our choice of passive resistance has encouraged those in power to use the harshest measures to break this resistance, from killing Albanians in the streets to the forced suspension of the Kosovo Assembly and Executive Council; and to devise new plans in the same vein every two weeks, such as that for the expulsion of 200,000 Albanians from Kosovo, and the recent plan for the settlement of Romanian Serbs in Kosovo. The whole arsenal of violence used by Serbian policy toward Kosovo testifies to the fact that this policy is faced with political opposition within Serbia itself, that monist policies have exhausted all other political and economic means of untying the Kosovo knot, and that they have only one trump card left representing a final spasm before these policies collapse. The Communists in Serbia are competing with the extreme chauvinist wing, as represented by the party of Draskovic and Sesel, to see whose policy against the Albanians can be harsher and more repressive.

Kosovo, Surroi continued, has also been recently confronted with police dictatorship in the economy, and added that the Kosovars must overcome even this measure with maturity and patience, because it is clear that this form of social terror aims to achieve the total subjugation of the Albanians, and put an end to their demands for democracy in Kosovo.

Veton Surroi concluded by saying, among other things, that the suspension of the Kosovo Assembly means that not even the SFRY Assembly can function. This means an attempt to block every step toward reform, because only a complete Assembly made up of all the federal units possesses the legitimacy to make decisions and approve reformist legislation. It must therefore be clear to everybody in this country that there can be no democracy in Yugoslavia without democracy in Kosovo, and anybody who believes differently is heading consciously toward catastrophe, because the Albanians are clear in their demands that they wish to have equal status in the circles discussing the construction of a future Yugoslavia, and there can be no decision without them.

Did Real Socialism [Realsocializmi] Begin To Collapse in 1981?

The next part of the tribunal was devoted to questions and answers among the participants. Shkelzen Maliqi, replying to a question, said that the Serbian regime is a crisis regime which cannot last long because it sustains itself by loans and misappropriating funds in various ways from working people and citizens. Asked whether the struggle to break with real socialism began in 1981, he replied that there have been no proper political and sociological analyses of the events of 1981 in Kosovo, but that one thing is certain: We were not dealing with counterrevolution, which was the label the one-party system tried to attach to these events. As for whether the break with real socialism began then or earlier, we have no proper analyses. However, we must concentrate more on 1990. There can be no democracy in Kosovo without the return of the Kosovo Assembly's complete legitimacy.

We consider the suspension of the Kosovo Assembly and Executive Council, and the police seizure of the media, to be an occupation.

There were also questions about the role of the Kosovo Independent Trade Unions under the conditions of police dictatorship in economic organizations. Concerning this, Surroi said that their role is very important

in protecting the thousands of workers being dismissed from their jobs merely because they are Albanians. Asked whether it is any use continuing to live in Yugoslavia if Kosovo's independence within the federation or confederation is not accepted, he said that, if Kosovo is unable to decide its own destiny within a future Yugoslavia in a sovereign fashion, there is no point in living in it. We say openly that we do not want a totalitarian and chauvinist regime of the kind now being enforced by Serbia in Kosovo. We want a multiparty Kosovo Assembly, free elections, and the free circulation of goods, ideas, and people. The opinion of the majority is that the Albanian people have the energy and will to achieve their economic revival and independence, if we can free ourselves from the restraining barriers of monist logic.

[The following passage appears boxed within the body of the item]

The Assembly and the Declaration of 2 July

There were many questions about the Kosovo Assembly. One of them was whether it can function without its premises. In this connection, V. Surroi said that the delegates and the Assembly are able to function outside their premises, and must do so, because they represent the only legitimate organ of the people of Kosovo which we recognize.

Skender Maliqi was also asked whether the constitutional declaration of 2 July will suffer the fate of the Conference of Bujan [December 1943], and remain a purely historic event. He said that the constitutional declaration cannot remain a purely historic event, because it represents one of the pillars of Kosovo's independence, as we will see when independence comes. In this connection, Surroi added that the Kosovo Assembly's constitutional declaration has not narrowed the limits of the system in Yugoslavia, and we have declared ourselves to be in favor of joining in the construction of a federal or confederal Yugoslavia, and that Kosovo and the Albanians will sign whichever variant recognizes their status.

Asked about demographic policy in Kosovo, the representatives of the Alternative said that the human factor is very important for Kosovo. Faced with the savage institutionalized violence now being waged in Kosovo, the only ways in which the Albanians can now overcome the situation are peaceful resistance and constant demands for dialogue with the Kosovo Alternative, the leaders of the alternative groups said whereupon they received applause from citizens gathered at the Kacanik democratic tribunal.

Bishop Protests Charges of Albanian 'Poisoning'

LD1308203890 Vatican City International Service in Serbo-Croatian 1700 GMT 13 Aug 90

[Father Ljus Djerdji report on statements by Bishop Prelja in Zagreb; date not given—live or recorded]

[Text] Urosevac, 11 August 1990. A Catholic bishop from Kosovo issued a protest against the slander, connected with the poisoning of Albanians in Kosovo, which reads as follows:

Information published in Belgrade media, POLITIKA, Belgrade Radio and Television, TANJUG, and others, headed by JEDINSTVO of Pristina, sank so low as to accuse the Catholic Church in Kosovo of poisoning Albanians. All this is happening under the watchful eye of the European and world public, which under the leadership of top experts has been searching for and finding causes of mass poisoning and, consequently, its perpetrators. In order to find a way out from this unpleasant and absurd situation, unparalleled in the civilized world, authorities now attack the Catholic Church. After the first and tendentious interpretation of this phenomenon as simulation and, later, as induced psychosis, the third fabricated cause is found in the humanitarian-Christian aid and the help given by the Catholic Church to all poisoned persons. On my behalf, as well as on behalf of priests, monks, and nuns under my supervision and authority, [words indistinct] I protest most energetically in defense of honor and truth, and I resolutely demand that all the aforementioned media apologize publicly and carry this statement. Otherwise, I will address the European and world public and ask international institutions and commissions to determine the true story behind the poisoning.

[signed] Bishop Nikola Prelja

Party Issues Appeal to Croat, Serb Assemblies

LD1308151890 Belgrade TANJUG in English 1213 GMT 13 Aug 90

[Text] Osijek, 13 Aug (TANJUG)—The Party of Yugoslavs Committee in Osijek called Croatia's Republican Assembly and the newly-formed Serbian Assembly to schedule a special session to suspend all decisions that could create inter-nationality conflicts in the republic.

The party asked the Republican Assembly to urgently—by August 19—retract or suspend its decision on accepting amendments to the republican constitution, lower the new flag, disband the volunteer guard and initiate a public debate on the republic's new constitution.

The Party of Yugoslavs explained that the Croatian Assembly's rash decisions had brought Croatia to the brink of uncertainty and civil war and that the assembly delegates' intolerant behavior—while adopting the constitutional amendments—had drawn reactions from the Serbian Democratic Party, which include the forming of a parallel Serbian Assembly and scheduling of a referendum on autonomy.

The Serbian Assembly was called to withdraw its decisions on autonomy and the freedom as well as the decision on forming the assembly, and [to] join in the debate on the new republican constitution.

The Party of Yugoslavs is seated in Croatia's Capital Zagreb.

The Party's Osijek Committee said the exclusive insisting on "one's own" had brought the republic to a state of fear and anxiety and added: "Let us organize a referendum on whether we want to live in Yugoslavia or not, and not allow national leaders to trade with us on our behalf".

Serbian TU Leaders Discuss Economic Situation

LD1308121890 Belgrade TANJUG Domestic Service in Serbo-Croatian 1218 GMT 13 Aug 90

[Text] Belgrade, 13 Aug (TANJUG)—Although the reform in Serbia has been underway for the past seven months, the situation in the republican economy is very serious which is reflected in illiquidity threatening to halt business operations, it was stressed in the Serbian Trade Union Council where a meeting was organized with leaders of about 30 of the largest republican collectives.

In the past few months the number of organizations which have become "ripe" for bankruptcy increased to 130—with about 90,000 employees involved—stressed Dragan Subotic, member of the Republican Trade Union Presidium. Although price increases were insignificant, losses during the first half (of the year) were twice as high compared with figures compiled after the first quarter.

Serbs in Croatia Issue Appeal to Presidency

LD1308165290 Belgrade TANJUG Domestic Service in Serbo-Croatian 1413 GMT 13 Aug 90

[Text] Belgrade, 13 Aug (TANJUG)—In the Palace of the Federation today, SFRY Presidency President Dr. Borisav Jovic received a delegation of Serbs from Croatia, led by Knin Municipality President Dr. Milan Babi and also including Danilo Rastovic and Bogoljub Popovic. The meeting took place at the delegation's request.

As reported, members of the delegation briefed President Jovic on the difficult and conflict-ridden state of intranational relations and the big threat to which the Serbs in Croatia are exposed. They stressed that they spoke on behalf of all the Serbs in Croatia, by virtue of the amendments to the Constitution of the Socialist Republic of Croatia, and said that the Serbian people in Croatia have lost their earlier status of a constituent element. They mentioned that on the basis of several recently adopted constitutional and legal solutions in Croatia, institutions and organizations on an exclusively national basis are being set up as institutions only for the Croatian people.

The representatives of the Serbs in Croatia also stressed that in this kind of situation, not only the rights of the Serbs in Croatia to politically express their own interests are under a threat, but they are also exposed to constant brutal pressure and threats, that is that their elementary security has been imperilled. For this reason, they said, they have been forced to resort to self-organization and self-defense in the sense that they have to remain on guard both day and night.

Proceeding from the fact that the situation is deteriorating more and more, and that clashes are imminent, they asked the SFRY Presidency to take appropriate measures and activities to prevent this from happening and at the same time to create the situation whereby the Serbs in Croatia may without hindrance fulfill their democratic rights.

Dr. Borisav Jovic, president of the SFRY Presidency, informed members of the delegation about the stands and activities of the SFRY Pesidency to resolve the crisis in the country. In this context, one proceeds from the demand that the existing SFRY Constitution and laws be complied with until they have been changed and that the rights and the equalities of all nations and nationalities in Yugoslavia be respected.

The Presidency, said President Jovic, will continue to do everything which is necessary to allow every nation and all nationalities, within the framework of the SFRY Constitution and laws, to democratically fight for their constitutional rights. In the eventuality of the rights of any nation being threatened in any circumstance, and especially in the eventuality of the threat of a conflict on a national basis, the SFRY Presidency will use all its constitutional powers and use all the means on the basis of our Constitution and laws to prevent and foil such conflicts.

However, SFRY Presidency President Dr. Borisav Jovic expressed his conviction that common sense will prevail and that by political and democratic means, in a manner laid down by the Constitution, the conditions will be established which will allow the Yugoslav crisis to be resolved peacefully on the basis of respect for political will and interests of all Yugoslav nations.

President Dr. Jovic informed the delegation that he will brief the SFRY Presidency on this meeting.

Croatia's Mesic on Economy, Position of Serbs

AU1208174190 Zagreb DANAS in Serbo-Croatian 31 Jul 90 pp 16-18

[Report on interview with Croatian Prime Minister Stipe Mesic by Jelena Lovric in Zagreb on 27 July: "I Am Not Submitting a Resignation"]

[Excerpts] [passage omitted] The question of his resignation was raised in the Croatian Democratic Community [HDZ] deputies' Club before the Croatian Assembly session last week. When we ask him, Mesic first ignores this fact, but when we insist on some comment, he says that he has nothing to say to those who make such demands.

[Mesic] I think that Tudjman's speech in the Assembly is a sufficient answer. Everybody has the right to pose such questions and demands. However, it is difficult to have a sensible discussion with people who do not understand anything. [passage omitted]

[Lovric] May we discuss the remarks that were addressed to you on that occasion. As far as I know, you are blamed for being too liberal, for taking people into the government who are primarily not HDZ members, and for being inefficient.

[Mesic] We may talk about everything. I am liberal, but this does not prevent me from consistently applying the HDZ program with the greatest possible speed. The assertion that I brought to the government mostly people who are not HDZ members is not true: Out of 17 members of the government, 11 are members of our party, and all the others accept our program. It is difficult to have a discussion with people who do not know even these basic facts. One can talk about inefficiency, but one explanation is necessary. Our work has been limited by federal and republican regulations until now. We came to power demanding a law-governed state and a strict respect for the laws, and nobody can now push us to trample on this. Therefore, we must struggle for the elimination of the present legal limitations through normal procedure. This cannot be done overnight. These nervous people who do not know anything and who think that they are changing something with their radical demands only confuse honest and sensible people, not letting them work normally. We demand that one should work, and not that one should jump and make inefficient moves. We are not in favor of nervousness. [passage omitted]

[Lovric] The economic part of your party's program has been an unknown quantity for a long time. What is your stand on the Markovic program now?

[Mesic] Some people attack the federal government program only so they may show how critical they are against Markovic. But they do not offer anything new in their criticism. Markovic's program is the result of the work of many people and many institutions, domestic and foreign, that know us well and that are professionally competent. In the part that relates to the opening of the market and democratization of society, this program is absolutely acceptable. Had Markovic not prepared it, we would have to create it. We will merely elaborate this program, which relates to all of Yugoslavia, in keeping with the abilities of the republic which is relatively more developed than others and in a more favorable position, and in keeping with its needs that it should introduce market relations even more quickly and open up toward the world even more rapidly. In this part of the program, Croatia may and must advance more rapidly than the others. This is our program which we do not conceal, and which we could not implement earlier. Now we can.

[Lovric] The economic indices in Croatia over the past few months are abysmal. Industrial production fell 30 percent last month....

[Mesic] In fact this is positive; production that has no market—and we have had such production—has not solved anything. We had full storerooms, and later we wrote off goods and incurred losses; now we have what we then wanted: a decrease in production. Now we want to increase production, but production for the market. Therefore, we are not crying over this situation.

[Lovric] It is not a matter of crying over a decrease in production but over workers who become unemployed.

[Mesic] Their work on a product that cannot be sold is simply unnecessary. Now we are opening hundreds of new small workshops where a portion of these workers will be employed. Production that has a ready market will certainly increase and this healthy development is under way.

[Lovric] Do you expect social dissatisfaction?

[Mesic] We expect it and we are preparing for it. This will be a transitional period in which we will have enough funds to calm down the social tensions to some extent, but this can be completely remedied only by opening up new plant, investing further resources, and opening up major [public] works.

[Lovric] According to some information, to deal with social dissatisfaction you are also preparing to form special units, which may be used for various purposes, but also to prevent dissatisfied workers from protesting in the streets.

[Mesic] Certainly not! In no case! Strikes are only a reflection of the situation. If we were to stop them by force, we would in fact be sticking our head in the sand. Nothing would be solved. There are no units that should do this. Probably one has in mind the civil defense units [jedinice civilne zastite] because we see that our system of defense—specifically from fires—does not function with sufficient efficiency. The formation of these units is causally linked with the fires on the Adriatic coast, and certainly not with social disorders. There will be no social disorders. There will be expressions of dissatisfaction, but this will be resolved through social policy. The best social policy is a policy of development. We have embarked on it. I must say that foreign capital displays an incredible interest in investments in our country. Concessions are being sought for roads and for hotels, there is interest in taking over entire factories. We must merely create the legal framework, so as to eliminate the fears about what may happen to invested funds. Therefore, we insist on the rule of law to such an extent. Its functioning is a necessary prerequisite for the investment of foreign capital.

[Lovric] Markovic's experience shows that an economic reform, as well as it may be conceived, finds it difficult to

succeed in a poor political situation. What is the atmosphere in Croatia like in this sense?

[Mesic] We may say that the political situation is good in our country. Considering all the circumstances and the entire economic situation, the political situation is not bad. However, people are confused by these hawks in the HDZ who want to get promoted by being vociferous. One may perhaps be successful in some kind of a choir if one is vociferous, but one cannot succeed in solving economic and political problems. However, I think that Tudjman has issued an appropriate message. And whenever they get excited, they should read and comprehend it. If they can comprehend! On the other side there are the Serbian hawks, the leaders of the Serbian Democratic Party who are rousing the Serbs, but only a part of them, and I think a minor part. One should analyze the rally in Srb, because if you do not count those who came from outside, or these Chetnik boys brought in by others, and if you do not count those who cry for privileges, and those who make a profession of their nationality—I know, there are such attempts on our side, too!—if you do not count all these, I believe it would be shown that in Srb, there were few people who work for their living but accept Seselj's and Dakic's crazy ideas. Those who shout "This is Serbia" in the heart of Croatia simply forget where they are, they even forget the fact that the region still has a 40-percent Croat population. I would like to see some rowdies with Ustasha insignias come to Srb, to sell Ustasha publications, and to walk about with Ustasha caps and flags. But we did not want to solve this with repression. We believe this is a political problem which must be eliminated with political methods. All these noisemakers will unmask themselves. Their own people will unmask them. The Serbian people can live in Serbia only together with the Croats. A confrontation or withdrawal into some enclaves cannot bring any good either to the Croats or the Serbs. Since we know this, we will not allow anyone to have such enclaves. People should be able to work and all this creating alarm through imported drum beating should stop. Making a Kosovo in Croatia will not succeed; we do not allow anybody from outside to interfere. We will not allow elements to be brought in from the outside to try to settle the problems of Serbs in Croatia. The Serbs in Croatia and the Croats in Croatia will solve their problems themselves.

[Lovric] Your assessment of the political situation differs from Mr. Tudjman's assessment which is much more dramatic.

[Mesic] The assessment is in fact the same, but he spoke somewhat louder making it known to all the hawks, from all the flocks, in advance that they should get down to work and should leave politicking, because we are determined to conduct politics through sensible means.

[Lovric] Without entering into an assessment of how many Serbs support the policy of the Serbian Democratic Party, the question nevertheless arises about where this rather strong support for Raskovic's party among the Serbian population derives its strength from.

[Mesic] Lack of information is great. Some people live on myths and they are being persuaded with all the force that this is reality. A third part of people live with a conviction that the cessation of privileges brings them into an unequal position. Is it, for instance, a reason for alarm if we no longer want a majority of the policemen in Croatia to be ethnic Serbs? This does not mean that we will chase anybody out of police work because he is a Serb—that would be crazy—but we will be careful to make sure that a relationship reflecting the proportions of the population is established during the normal recruitment. [passage omitted]

[Lovric] It seems that, as the new authority, you do not have the best relations with the Army?

[Mesic] The Army is a conservative institution, and it has been taught that its problems cannot be publicly discussed. However, we are a democratic society and the Army must understand this. It must also understand that any problem can be discussed. It is normal that when we do not have a single enemy on our borders, we talk about the size of the Army. It is the same in all countries. Those who pay have the right to talk about it.

[Lovric] Is there any truth to the assertions of alleged military maneuvers on the border between Bosnia and Croatia?

[Mesic] We have protested because we do not accept maneuvers under such preconditions. The scenario for the exercise is that Quisling governments in Slovenia and Croatia have proclaimed independence, and in the clash between the red force and a hostile blue force, the red of course wins. Very naive, and for me incomprehensible. In any case our cooperation with the military authorities is insufficient. For instance, one of them has yet to call on me. I am not particularly unhappy because of this, but nevertheless we are a democratically elected government. They have not sent any formal congratulations and I think that this is not right. The Yugoslav People's Army is also a Croatian army. They should know this. If there is no cooperation, there are disagreements. For instance regarding military service. In the seventies, 40 percent of all soldiers served the Army in the territory of their republic, and now I am told that only 11 percent do so; the proportion has never been so small. Even for economic reasons, its own and those of the families of its soldiers, the Army should make it possible that one serves the Army mainly in one's own republic. When we are a confederation, a part of the defense units, well equipped and mobile, will have a confederal status, with the duty of defense at the Yugoslav level in case of danger, but without the right to interfere in political problems.

[Lovric] For some time after the elections, there was much talk about the possibility of a military coup, first in Slovenia and then in Croatia. Do you think that such

scenarios have been completely abandoned, or do such ambitions still exist among some people?

[Mesic] I do not know whether ambitions exist, because it is difficult to know what goes on in the minds of people. I do not know what any of these military experts are up to, but I do know that professional military officers like to talk about war, making military plans, but they do not like to participate in wars. They like to have good pay, comfortable apartments, working wives, educated children, and as nice a residence as possible in retirement. I think that it is now clear to the very last naive person that democracy can no longer be stopped by way of military intervention.

[Lovric] Nevertheless, are these planned military maneuvers not a form of pressure?

[Mesic] Yes, this is certainly pressure, but unfortunately this is also a waste of money. We are against wasting money for nothing. Anyhow, nothing can be changed through a military exercise. There can be no military coup, regardless of the effort anybody may put into it. Behind every military putsch, anywhere in the world, there stands a foreign power. The East cannot support a military coup which objectively speaking would be Bolshevik, because it simply has too many problems of its own. The West also has no interest in supporting such an undertaking. Therefore, this is but an idea of those people who are lost in the new democratic surroundings and who believe that political matters may be solved with pressure.

[Lovric] Is there any truth in the assertions that you are forming a guard unit [garda] which is to be stationed along the Bosnian border?

[Mesic] It has only been proposed that the police unit that guards vital facilities and leaders in Zagreb be called the Guard. This is all.

[Lovric] How correct is the assessment that you are striving for a centralization of the republic, which is perhaps the best way to break it up?

[Mesic] No, we are striving to tie the republic together, and not centralize it. There is a difference. We all still call each other Slavonians, Lika people, Dalmatians, and not members of Croatia. [passage omitted]

[Lovric] What is your current attitude towards Yugoslavia, in general?

[Mesic] I envisage Yugoslavia being set up according to the model of European Common Market, in the economic and political sense. The talks that we are conducting with leaderships of all the republics show that this wish of "Yugoslavia as small-scale Europe" is not unrealistic at all. I reckon that democratic forces will nevertheless win in all the Yugoslav regions, that they will be in favor of a dialogue on an equal footing, and that those who would want to issue ultimatums and impose their order by oppression will remain a minority.

Broadcast Rights for Istrian Radio, TV Revoked

Ministry Announces Withdrawal

LD1308174990 Belgrade TANJUG Domestic Service in Serbo-Croatian 1454 GMT 13 Aug 90

[Text] Zagreb, 13 Aug (TANJUG)—The Croat Ministry for Information today officially announced that the frequency for transmitting television programs on the 39th channel via the Ucka transmitter is being taken away from the local Istrian radio and television station in Pula. Likewise, the legal grounds governing the further work of this radio and television station are being revoked.

Here is an official statement from the Croat Ministry for Information:

"The attempt made by the federal administration for radio communications to willfully take away the right of Croat Radio and Television to transmit its third television channel on the 39th channel via Ucka transmitter and, furthermore, to grant the same right to Istrian radio and television, despite a negative view voiced by the republican Ministry for Transport and Communications, is yet another example of Croat sovereignty being disregarded.

"Frequencies are national goods and, as such, are in the sole possession of national assemblies. Any encrouchment upon the authority of the Croat Assembly, like the one committed by the federal administration for radio communications, is inadmissable. The law on Croat Radio and Television explicitly states that all three television networks are of importance for the republic, from which it follows without any doubt that only the Croat Assembly administer them.

"Regarding six programs of Istrian radio and television, registered with the Croat Ministry for Information just before the change in power, it was established that their registration was illegal because it did not meet conditions laid down in articles 55 and 73 of the law governing public information. Hence, Istrian radio and television has no legal basis for its further work.

"Aware of the need to develop radio communications outside the system of Croat Radio and Television, the Ministries for Information and for Transport and Communications are preparing changes to the laws on information and on telecommunications, which will provide legal conditions for the use of free radio and television channels," the statement concludes.

Istrian Director Says Broadcast Legal

LD1408005790 Belgrade TANJUG Domestic Service in Serbo-Croatian 2156 GMT 13 Aug 90

[Excerpt] Pula, 13 Aug (TANJUG)—We have the necessary permission to broadcast television programs. Therefore, today's statement made by the Croat Ministry for Information claiming, among other things, that there is

no legal basis for our work, took us by surprise. This was stated this evening in a phone-in program carried on Istrian Radio and Television by Bogoslav Petean, director of this independent Radio and Television station, from Pula, which has been broadcasting its programs for the past three months. [passage omitted]

NARODNA ARMIJA on Slovenia's Army Chief

AU1408110390 Belgrade NARODNA ARMIJA in Serbo-Croatian 9 Aug 90 p 7

[Ljubodrag Stojanovic commentary: "For God's Sake, Janez..."]

[Text] During his term as the Army minister of the Republic of Slovenia, Mr. Janez Jansa, has already made several spectacular moves. The former member of the peace movement and champion of the idea of demilitarization has become the most militant personality of Demos' [Democratic Opposition of Slovenia] Slovenia.

Jansa threatens somebody approximately twice a day. The Yugoslav People's Army most often bears the brunt of his belligerent nature, because the Army does not fit the minister's idea of a separatist armada at all. He has even elaborated a secret plan of how to fight against the Yugoslav People's Army which has probably been already sent to MLADINA by Ivan Borstner in cooperation with David Tasic.

Speaking in parliament a few days ago, Minister Jansa said an untruth which people in the southern parts of the country would simply call a lie. The head of the government's war department claimed that a colonel of the Yugoslav People's Army, for instance, has a salary of 5,000 Deutsche mark, something which was then reported by many Slovene newspapers. This lie was immediately refuted by a delegate to that same assembly, Colonel Aksentijevic, who showed the chamber delegates his pay slip showing the dinar income, equivalent to about 1,800 German marks. However, he also added something which nobody has refuted to this very day. Namely, Minister Jansa and all other ministers in the Slovene Government have a monthly salary of a little more than 5,000 Deutsche mark. He also said that the government of that republic has already squandered the budget for the first quarter of the next year because of the luxurious travels Prime Minister Peterle has made trying to gain support for his expensive policy.

The moral of the story: One should have reservations about all statements made by Mr. Janez Jansa, former convict sentenced for acts perpetrated against the people and the state.

Bulatovic Cites Montenegrin 'Communist Tradition'

AU1208192790 Belgrade BORBA in Serbo-Croatian 7 Aug 90 p 4

[Interview with Momir Bulatovic, president of the Central Committee of the League of Communists of Montenegro, by Slavko Vukasinovic; place and date not given: "We Do Not Think With One Head From One Center"]

[Excerpts] [Vukasinovic] The League of Communists [LC] of Montenegro is the only one not to have changed its name nor to have added an additional qualifier to it. Do the reasons for this lie in the rich communist tradition in Montenegro?

[Bulatovic] We in the LC of Montenegro began the basic transformation of our party a long time ago. In our opinion, a possible name change should be the result of the completion of its essential programmatic transformation and a matter of the will and orientation of the membership.

In contrast to the other, until recently constituent parts of the League of Communists of Yugoslavia [LCY], we have begun a widespread public debate concerning issues of the programmatic and organizational reform of the party, in which respect, one of the unavoidable subjects and dilemmas concerned changing the name. We witnessed the fact that despite past mistakes and weaknesses, the communist tradition is still very strong in this area.

We offered the members the possibility of changing our party's name once at the beginning of the year and at that time there was the very widespread proposal to restore the name of the Communist Party of Yugoslavia. However, and this was demonstrated by the last session of the Central Committee of the LC of Montenegro, now the members are considerably more willing to change the name. [passage omitted]

[Vukasinovic] Multiparty and free elections are a chance for citizens, above all, but also for parties. What is your view of the competition in Montenegro?

[Bulatovic] We see the other political parties and associations as a reality in Montenegro. This is a result of the processes of democratization in the republic; processes which were initiated by the LC and in which we have actively participated.

It is true that multiparty, general, free, and secret elections are a chance for citizens and parties, and, in our opinion, the interest of the citizens should have absolute priority. We are not trying to hide our own party's interests because any other action would be truly hypocritical. We are basically guided by these in our activities

but we do not favor them over what is usually refered to as the general good. For example, we have for a long time advocated holding parliamentary elections in the republic as soon as possible. We consider the time that was wasted in this respect to have done great harm because every vacillation and delay creates a climate of anarchy and, objectively speaking, degrades the authority of state organs. We believed that, if the elections were to result in helping the common good, and the very fact that they have been accepted makes this indisputable, then it would be better for them to be held as soon as possible, regardless of the extent to which certain parties are prepared for them. Therefore, our commitment to elections being held as soon as possible was not motivated solely by narrow party interests.

Activities prior to the elections, which are due to be held by the end of the year, are increasingly acquiring irrational elements, which are characterized by interparty and personal clashes and the rise of national exclusivity and interethnic mistrust. Foreseeing the possible negative repercussions of such a practice, we challenged the other parties a long time ago to restrict our contest solely to the sphere of resolving our society's real and specific (above all economic and developmental) problems. If this challenge is not met, and there have been no encouraging signs at the moment, and if the negative trends that I refered to continue, it is realistic to expect that many voters will abstain, which will undoubtedly harm the citizens of Montenegro. The fact that this could be to the advantage of some parties is totally insignificant compared with the damage that would be done to the whole community. [passage omitted]

[Vukasinovic] Is there any chance of a 'eftist coalition being created in Montenegro?

[Bulatovic] We consider the unification of leftist forces not only in Montenegro but also Yugoslavia to be an inarguable need. We have basically endorsed the declaration of the Presidium of the Republican Conference of the Socialist Alliance of Working People (unfortunately we are the only ones in the republic to have done this at the moment) which contains a significant number of acceptable elements on which future cooperation and the leftist coalition in Montenegro can be based. One of course needs two for a coalition. The heads of some left-wing parties in the republic have publicly said that they will not cooperate with us, which we consider to be their problem and not ours.

Otherwise, in contacts with communal LC organizations, we have constantly been developing and affirming the necessity of cooperation, in communal elections above all, between the LC, the Socialist Alliance of Working People, and the Socialist Youth Federation or the forms of political organization which have emerged from them. We think that at the communal level, where interests are much more obviously intermingled and where reality is, objectively speaking, "harder," there have been fewer instances of envy, personal pretensions, and parties outsmarting each other coming to the fore, so we appreciate that cooperation should be begun on this level.

[Vukasinovic] What is the future of Montenegro and Yugoslavia?

[Bulatovic] I have publicly stated my personal view of the future of Montenegro several times and it totally corresponds to the elements of the electoral platform of the LC of Montenegro. Of course, the visions of the party that I belong to are only one view of reality and the possibility of them coming to life will depend on the will and trust of the voters.

We have said that we are in favor of a sovereign and independent Socialist Republic of Montenegro within Yugoslavia as a modern, democratic, and efficient federation. Likewise, we do not accept that Yugoslavia's fate will depend on an agreement between politicians, especially not once subjected to national fever. Yugoslavia was actually and officially created from a decision by its peoples and only they can decide on its fate. In order to establish the will of the people, we do not have to be repeatedly original, but we must make use of the affirmed civilizing achievements of democratic dialogue and decision making.

[The following passage appears boxed within the body of the item]

Gossip

[Vukasinovic] It is being said that you have a pro-Serbian orientation and that you are "Slobodan Milosevic's right-hand man."

[Bulatovic] I realized a long time ago the pointlessness of the struggle against gossiping and behind-the-scenes speculation. Strangely enough, I was helped by the huge number of such stories in which I was given the role of one of the main actors. Therefore, allow me not to respond to this story.

If my attitudes about Yugoslavia, the Socialist Republic of Serbia, and Slobodan Milosevic have not already reached the public then not even this attempt could be successful. On this occasion too, I agree with everything that I have said publicly so far on this subject but, to be honest, I am a little tired of repeating it.

Assembly Delegate Questions Government Authority

AU1008151090 Belgrade POLITIKA in Serbo-Croatian 5 Aug 90 p 6

[Speech by Brana Crncevic at the SFRY Assembly Chamber of Republics and Provinces session in Belgrade on 4 August: "'I Am Astonished at the Existence of Two Markovics'"]

[Text] Mr. President, respected delegates: Of course, rules of procedure and papers can bring down any assembly and block the work of any assembly. Even

much more important questions have not been resolved in this Assembly. We still do not know who belongs to Mr. Markovic's future party and whether the Army minister and the minister for police are in this party and which layer of the pyramid is assuming power. We do not know anything about the political activity of the Federal Executive Council, which, it seems, has two tasks: one to create political troubles and the second to solve them.

Therefore, regarding this point on the agenda, we are of course not only discussing wheat and the purchase of wheat, which the federal government has settled the way it chose and suggested a postponement, but we are also talking about its good will to also prove the reform that it is representing.

As far as I know, and if we have worked this out correctly, the difference between the buy-up price of wheat, and what Serbia and Vojvodina are proposing, amounts to $10 million. Perhaps we have not, perhaps it is less. The government does not have a solution to that. However, the government does have the intention—without telling the public how this will be financed and from which budget—to set up a government-run television station, to buy publications, and so on, which are things that this Assembly has not discussed.

Therefore I want to state the following:

If the Federal Executive Council is not prepared to put on the agenda one of the issues that is important for Serbia, not only as an economic solution but as a question of its participation in the work of the SFRY Assembly, I have to raise the question—which is based on the rules of procedure—of the government's authority to implement this reform. It is not clear why in this state only Ante Markovic's party has not put forward a list of government members who are participating in setting up this party.

It is not clear—and we would be able to see from this list—whether all the government's activities are correct and distinct.

I am astounded by the existence of two Markovic's, citizen Markovic and Prime Minister Markovic. Citizen Markovic goes to Kozara and Prime Minister Markovic goes on vacation. We are talking about two people which this Assembly must discuss because the wheat issue will be resolved when we really discuss it and stop lying to each other so drastically and talking about rules of procedure and their merits.

I am very interested to know whether the decision of the Federal Executive Council to set up a party allows citizens in the Presidency or citizens in the Assembly to also set up parties and, finally, whether we are dividing this state in a way that was perhaps decided upon somewhere else, or in a way that has perhaps been happening accidentally.

I am asking that the wheat issue be discussed, but I would prefer for us to have a supplementary point here. I propose that we discuss the government which is setting up a party without having informed either the Assembly or the state Presidency about this, but is making controversial statements that it has set up a party and that it has not done so.

League of Communists Ownership Rights Questioned

AU1308093690 Belgrade BORBA in Serbo-Croatian 9 Aug 90 p 12

[Unattributed report: "Who Does the Party Property Belong To?"]

[Text] Skopje—The Administrative Committee of the People's Party of Macedonia sent yesterday—from its session which was presided over by Vladimir Stefanovski—a request to the Macedonian Assembly and the Executive Council. This request was to establish whether the offices of the Central Committee of the League of Communists of Macedonia were built with the funds that belong to the republic—and are thus the property of the republic—or with the funds collected through membership fees. If it is established that the offices of the Central Committee of the League of Communists of Macedonia were built with the socially owned funds, the assembly and the republican executive council should prohibit the League of Communists of Macedonia—Party for Democratic Transformation from selling or renting them.

The reason for this request was the recent decision of the League of Communists of Macedonia—Party for Democratic Transformation to rent the premises of the former Central Committee of the League of Communists of Macedonia.

The People's Party believes that this is yet another attempt by the Party for Democratic Transformation to put itself in a privileged position. Such aspirations are also evident from the fact that, at the celebration of Ilinden in Krusevo on 2 August this year, the Party for Democratic Transformation hoisted its new blue flag alongside the Yugoslav flag.

The Macedonian Assembly is also asked not to register the Alliance of Reform Forces of Ante Markovic and that this party be prohibited from running in the elections for the Assembly of the Socialist Republic of Macedonia. Macedonia and other republics in which elections are yet to be held would find themselves in an unfavorable position in relation to Slovenia and Croatia, where elections were held before the founding of the Macedonian party.

The Administrative Committee of the People's Party of Macedonia also decided to send a request to the Constitutional Court of Yugoslavia to "reexamine the constitutionality of the documents according to which Macedonia agreed to place the Prohor Pcinski monastery under Serbia's jurisdiction."

League of Communists Members Leave 'State Bodies'

LD1208171790 Belgrade TANJUG Domestic Service in Serbo-Croatian 1120 GMT 12 Aug 90

[Text] Sarajevo, 12 Aug (TANJUG)—Beginning this week the League of Communists [LC] will no longer exist in state bodies in Bosnia-Hercegovina. According to an amended and modified law on association of citizens of Bosnia-Hercegovina, more than 20,000 LC members cannot work in the administration of justice, public prosecutors' offices, stations of public security and other state bodies, but they can still express their affiliation to the party within their local communities.

This means depolitization of state bodies in this republic in which employment in the mentioned institutions was previously obtained not only on professional but also on political basis, that is, on the basis of being a League of Communists of Yugoslavia member.